



Early Learning Coalition
Of Indian River, Martin and Okeechobee Counties, Inc.

FINANCE COMMITTEE MEETING MINUTES

October 27, 2016

Children's Services Council of Martin County
101 SE Central Parkway, Stuart

Present: William Laughlin
Cathleen Blair (via teleconference)
Lison Philor-Jonnassaint (via teleconference)
Ann Rodriguez (via teleconference)
Richard Stetson (via teleconference)
Brandon Tucker (via teleconference)

Staff: Jacki Jackson
Zack Hackley
Loretta Toth

I. CALL TO ORDER

Finance Chair, William Laughlin, called the meeting to order at 1:01 pm. Roll call was taken and a quorum was present.

II. ANNOUNCEMENTS AND ADDITIONS/DELETIONS TO THE AGENDA - None

III. ADOPTION OF AGENDA

Motion to adopt the agenda was made by Richard Stetson, seconded by Cathleen Blair and passed unanimously.

IV. CONSENT AGENDA

A. Finance Committee Minutes – September 15, 2016

Motion to approve the consent agenda was made by Cathleen Blair, seconded by Richard Stetson and passed unanimously.

V. OLD BUSINESS – In response to conversations at the last meeting, Mr. Laughlin questioned enrollment status. Mr. Hackley reported that a new Notice of Award was received from OEL, increasing School Readiness funds by \$232,000. As a result, ELCIRMO will enroll in all three counties beginning next week. It is anticipated to enroll 15 children in Indian River, 25 in Okeechobee and 110 in Martin County. The large influx in Martin County is due to the match dollars that are available. Enrollment is not an issue at this time.

VI. NEW BUSINESS

A. Credit Card Bank Change – Mr. Hackley explained issues relating to the current credit card, such as charges being denied. The current credit card with Juniper is tied to ELCIRMO's previous banking institution, BB&T. ELCIRMO will proceed with the necessary steps to open a credit card with the current banking institution, SunTrust. Formal action by the board is not required. Ms. Blair questioned the interest rate. Mr. Hackley responded that interest is not paid as a balance is not carried forward and there is no annual fee.

B. Auditor Discussion – It has come to ELCIRMO's attention that the auditing firm, Moss, Krusick & Associates, received a violation by the PCAOB, a public accounting oversight board. One of the partners, Krusick, "violated PCAOB rules and standards concerning auditor independence." Furthermore, he "violated PCAOB Rule 3502 *Responsibility Not to Knowingly or Recklessly Contribute to Violations*, because he took or omitted to take actions that he knew, or was reckless in not knowing, would directly and substantially contribute to the Firm's violations." (Report released from PCAOB Release No. 105-2016-014 dated April 12, 2016). They were sighted and fined. Moss is the partner associated with ELCIRMO's audit. To date they have completed 90% of the 2015-2016 audit. The contract extends for one more year. Of the 12 other ELC's that use this auditing firm, one ELC has elected to leave them this year. Mr. Tucker questioned the potential damage involved if a change was made this year. Mr. Hackley responded that in addition to all fees owed to Moss,

Krusick, ELCIRMO would be paying a premium to have an audit completed at this late date by another firm. If ELCIRMO stays with Moss, Krusick, the only liability is ELCIRMO's association with them. They are doing a competent job and are fulfilling the audit requirements. Mr. Tucker suggested that it is prudent to stay with them to complete out the year. Mr. Laughlin was in agreement. Mr. Hackley will review the current contract to see if there is any penalty for early withdrawal. Mr. Stetson commented that his organization does a 5-year contract with an annual renewal option based on performance. In addition, certain attachments or provisions may be required by the state for certain types of contracts, one being a stipulation that the auditing firm has to have a certain credibility record. He suggested the contract be reviewed for either of these. Mr. Stetson is in agreement to stay with Moss, Krusick for the remainder of the year, however, he stated we need to be careful if we decide to stay with them or are we required to not stay with them. Mr. Hackley responded that Moss, Krusick has not appeared on the State of Florida "disbarred" lists as of yet. He is not aware of any performance requirements, but will review the contract. Moving forward, he will include performance requirements in the next contract.

VII. FINANCIAL REPORTS – Mr. Hackley reviewed the balance sheet as of August 31, 2016. Total cash was reported at \$1.088 million with accounts receivable of \$1.6 million, the net book value of fixed assets is approximately \$21k, and current liabilities of \$1.2 million. Revenue for the month included \$655k for School Readiness, \$333k for VPK and \$35k for CSCMC. There were no questions.

VIII. BOARD MEMBER COMMENTS – None

IX. PUBLIC COMMENTS – None.

X. ADJOURNMENT

There being no further business, the meeting was adjourned at 1:17 p.m.

Respectfully submitted,

William Laughlin, Chair
WL/lt



Early Learning Coalition
Of Indian River, Martin and Okeechobee Counties, Inc.

FINANCE COMMITTEE MEETING MINUTES

November 17, 2016

Northern Trust Bank
755 Beachland Blvd., Vero Beach

Present:	William Laughlin Lison Philor-Jonnassaint (via teleconference)	Brandon Tucker (via teleconference)
Excused:	Cathleen Blair Ann Rodriguez	Richard Stetson
Others:	Donna Rivett	
Staff:	Jacki Jackson Zack Hackley	Loretta Toth

The Finance Committee meeting was scheduled to begin at 1:00 p.m. As of 1:05 p.m. a quorum had not been established.

In response to questions raised at the October Finance Committee meeting regarding the auditor's contract, Mr. Hackley commented that information was included on page 4 in today's agenda packet.

There being no quorum, no discussion took place. The meeting was cancelled.

Respectfully submitted,

William Laughlin, Chair
WL/lt



Early Learning Coalition
Of Indian River, Martin and Okeechobee Counties, Inc.

FINANCE POLICY MANUAL

**Early Learning Coalition of
Indian River, Martin & Okeechobee Counties
10 SE Central Parkway, Suite 200
Stuart, Florida 34994**

Approved by the Coalition Board: 5/24/07

Revisions Approved: 12/3/09, 3/24/11, 2/28/13, 11/21/13, 5/28/15, 1/28/16, 5/26/16

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DRAFT

INTRODUCTION

The Early Learning Coalition of Indian River, Martin & Okeechobee Counties, Inc. shall ensure that the funds provided should be expended for programs and services as prescribed in the Coalition's approved Plan. The Coalition will comply with all applicable state and federal laws, rules, regulations and restrictions in the expenditure of the funds in the delivery of school readiness and voluntary pre-kindergarten program services to eligible children and families as provided by House Bill 7165 at section 1002.84(12), Florida Statutes, and as described in the approved Coalition plan.

The Coalition's policies and procedures will comply with the following federal/state laws, regulations, statutes and rules.

- 287.057, F.S. – Procurement of commodities or contract services
- 215.971, F.S. – Agreements
- 287.058, F.S. – Contract document
- Rule 60A-1.002, FAC – Purchasing of commodities or contract services
- 2 CFR Part 200.112, 2 CFR Part 200.403(c), 2 CFR Part 200.318, 200.318(d)(e)(f), 2 CFR Part 200.319, 200.319(7)(b), 2 CFR Part 200.320, 2 CFR Part 200.321, 2 CFR Part 200.322, 2 CFR Part 200.323,
- 2 CFR Part 200.324, 2 CFR Part 200.325 and 2 CFR Part 200.326
- Chapter 60A – General Regulations
- Section 215.422, F.S. – Payments, warrants and invoices; processing time limits; dispute resolution; agency or judicial branch compliance
- Section 287.058, F.S. – Contract document
- Rule 60A-1.002, FAC – Purchase of commodities or contract services
- Compliance with Rule 69I-24, F.A.C. – Payment of Vouchers by State Warrant
- Compliance with Rule 69I-40, F.A.C. – Bureau of Auditing invoice requirements
- 60A-1.016 F.A.C., Contract and Purchase Order Requirements.
- DFS State Travel Manual
- DFS Reference Guide for State Expenditures
 - CFO Memo No. 01 (2012-13), Contract Summary Form
 - CFO Memo No. 02 (2012-13), Contract and Grant Reviews and Related Payment Processing Requirements
 - CFO Memo No. 03 (2014-15), Compliance Requirements for Agreements
 - CFO Memo No. 06 (2011-12), Contract Monitoring and Documenting Contractor Performance
 - PUR 1000 and 1001
 - CFO Memo No. 06 (2016-17), Guidance for Travel restrictions imposed by Ch. 2016-62, FL Law
 - CFO Memo No. 02 (2014-15), State of Florida Purchasing Card Program Convenience Fees/Surcharges
- OEL annual grant agreement Exhibit I for specified prohibited costs
- 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
 - 2 CFR 200.302, Financial management systems

Approved by the Coalition Board: 5/24/07

Revisions Approved: 12/3/09, 3/24/11, 2/28/13, 11/21/13, 5/28/15, 1/28/16, 5/26/16

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- 2 CFR 200.302(7), Financial management systems – allowability of costs
- 2 CFR 200.303, Internal controls
- 2 CFR 200, Subpart E – Cost Principles
- OEL Program Guidance files
 - Program Guidance 440.10 – Office of Early Learning Match Reporting Guidance
 - Program Guidance 240.01 – Cash Management Procedures
 - Program Guidance 240.04 – School Readiness Funds Management
 - Program Guidance 240.05 – Guidance on Prior Approval Procedures
 - Program Guidance 240.06 – Reimbursement Request Requirements for ELCs
 - Program Guidance 250.01 – Other Cost Accumulators (OCAs) Guidance.
- Record retention requirements are detailed in the Administrative Policy Manual.

OVERVIEW

The following are intended to provide an overview of the financial policies applicable to the Coalition.

The Coalition is incorporated in the state of Florida. The Coalition is exempt from federal income taxes under IRS Section 501 (c)(3) as a nonprofit corporation. The Coalition's tax-exempt mission is to collaborate with parents to integrate a system of services and facilitate quality early programs that include linkages to all areas of child development.

This policy shall document the financial operations of the Coalition. Its primary purpose is to formalize financial policies and selected procedures for the finance staff. Internal procedures will be documented in the financial procedures manual for the Finance Department.

All Coalition staff is bound by the policies herein, and any deviation from established policy is prohibited.

FISCAL YEAR

The Early Learning Coalition's fiscal year will be July 1st to June 30th.

FINANCIAL MANAGEMENT

The Board of Directors of the Early Learning Coalition is responsible for the financial resources of the Coalition and their management. The Coalition's Finance Committee is responsible for the review of the Coalition's annual budget, monitoring of the budget and recommending budget and financial policy solutions to the Coalition.

The Coalition shall:

1. Ensure that utilization of grant funds is in accordance with state and federal guidelines and contractual obligations.

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2. Provide direction for management and allocation of financial resources to achieve the highest possible level of school readiness for Indian River, Martin & Okeechobee Countys' children.
3. Monitor and evaluate the financial activity to ensure the financial integrity of the Coalition.

GENERAL PROVISIONS

The primary accounting responsibilities of the Finance department consist of:

1. General Ledger
2. Budgeting
3. Cash Flow Management
4. Asset Management
5. Grants and Contracts Administration
6. Purchasing
7. Accounts Receivable and Billing
8. Cash Receipts
9. Accounts Payable
10. Cash Disbursements
11. Payroll and Benefits
12. Financial Statement Processing
13. Internal/External Reporting of Financial Information
14. Bank Reconciliation
15. Reconciliation of Sub-Ledgers
16. Compliance with Government and Local Funder Reporting Requirements
17. Annual Single Audit – Prepare documentation for Auditors
18. Leases
19. Insurance

The Coalition shall maintain fidelity bonding of its fiscal personnel. Employees who have financial responsibilities are as follows.

1. Chief Executive Officer
2. Finance Director
3. Operations/Human Resource Director
4. Finance Assistant **Lead Fiscal Specialist**
5. Lead Reimbursement Data Entry Specialist
6. Reimbursement Data Entry Specialist

GENERAL LEDGER

The general ledger is defined as a group of accounts that supports the information shown in the major financial statements. The general ledger is used to accumulate all financial transactions of the Coalition, and is supported by subsidiary ledgers that provide details for certain accounts in the general ledger. The general ledger is the foundation for the accumulation of data and reports.

CHART OF ACCOUNTS

The chart of accounts is the framework for the general ledger system, and therefore the basis for the Coalition's accounting system. The chart of accounts consists of account 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 Coalition'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

Distribution of Chart of Accounts

All Coalition employees involved with account coding responsibilities (assignment or review of coding) or budgetary responsibilities will be issued a current chart of accounts. As the chart of accounts is revised, these employees will be properly notified.

Control of The Chart of Accounts

The Coalition's chart of accounts is monitored and controlled by the Finance Director. Responsibilities include the handling of all account maintenance, such as additions and deletions. Any additions or deletions of accounts should be reviewed by the Chief Executive Officer ensuring that the chart of accounts is consistent with the organizational structure of the Coalition and meets the needs of the program.

BANK ACCOUNTS

The corporate bank account will meet the following conditions:

1. The bank is insured within the meaning of the Federal Deposit Insurance Corporation Act.
2. The bank will be bound by the provisions of the contract or resolution insofar as the deposit and withdrawal of funds is concerned, and particularly shall not permit withdrawal of funds from the corporate bank account except by persons named in said contract or resolution.
3. Any other condition and/or requirements as dictated by the Coalition Finance Committee.

The Coalition Finance Committee researches banking options to recommend to the Coalition Board. A Coalition resolution adopted at any regularly scheduled or special board meeting may delegate the authority to establish bank accounts for ELCIRMO to the Chief Executive Officer, who can then assign this authority to a designee. The Coalition Finance Committee decides who the authorized signers are and who

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may withdraw money from the various accounts via checks, or transfers by executing the bank resolution on behalf of ELCIRMO.

Reconciliation of Deposits

Monthly, the Finance Assistant Lead Fiscal Specialist or designee, who does not prepare the initial cash receipts log or bank deposit, shall reconcile the listings of receipts to bank deposits reflected on the Deposit receipt and the monthly bank statement. Any discrepancies shall be immediately investigated.

Bank Reconciliation

Bank account statements will be reconciled monthly.

1. Bank account statements are received each month and forwarded unopened to the Director of Operations. The Director of Operations shall open the statement and review its contents for unusual or unexplained items, such as unusual endorsements on checks, indications of alterations to checks, etc. Unusual or unexplained items shall be reported immediately to the Finance Director and Chief Executive Officer.
2. After this review is completed, the bank statement is forwarded to the Lead Fiscal Specialist or designee for reconciliation. The reconciliation is performed and the reconciliation summary is verified with the balance sheet for month end. The statement and reconciliation summary is then forwarded to Finance Director and Chief Executive Officer for review and approval. The Finance Committee Chair will review the bank reconciliation monthly.
3. The Lead Fiscal Specialist or designee will review the bank reconciliation accounting report for any checks which have not been cashed and follow the Stale Check Procedure as well as alert the Finance Director.
4. Bank Reconciliations will be completed once all provider payments have been entered.
5. No changes will be made to any transactions effecting the month being reconciled, or previous months, after the bank reconciliation has been performed and the month closed.
6. Bank reconciliations and copies of resulting journal entries are filed in the current year's accounting files.

Stale Checks

1. All Coalition checks indicate void after 180 days issued.

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2. The Coalition will deem disbursed checks stale dated if not cashed by the 180 days from the date of issuance and after it has been outstanding per the bank reconciliations greater than 180 days (6 months).
3. The Finance Director or designee will monitor checks that have aged greater than 90 days and attempt to contact the payee to ensure the original receipt and to remind them of the Coalitions procedure if they choose not honor the check within the next 90 days.
4. The Coalition will shorten the monitoring of checks in the last quarter of the period of availability of funds to ensure the checks are determined appropriately and not be considered disallowed before proper grant reconciliation and close out.
5. In the event the check payee has not received or has lost the check, the Coalition will void in the accounting system and re-issue the check in accordance with Voided Checks and Stop Payment internal procedure.
6. Unclaimed checks with a value of \$10 or less and over 365 days old will be voided in the accounting system and the funds returned to the State.
7. ELCIRMO will follow Florida Statute Section 717.113-119 which governs the disposition of unclaimed property for all checks over \$10.

Security

The Coalition's blank check stock shall be stored in a locked file cabinet. Access to this file cabinet shall be by keys in the possession of the Finance Director or designee. In addition, the Coalition shall file at least 20 manual checks in the Coalition's emergency evacuation kit.

It is the policy of the Coalition to utilize passwords to restrict access to finance software and data. Only duly authorized finance personnel with data input responsibilities will be assigned passwords that allow access to the system. The Finance Director shall maintain a list of employees with finance software access including each employee's access limitations. To secure the confidentiality of data shared among staff and Board members and data provided to authorized agencies, the transferring of confidential data via email and fax is prohibited, unless a file is encrypted or the fax is transmitted to a secure location and is picked up by the receiver immediately. This prohibition applies to the submissions of all confidential data to all authorized staff, Board members and authorized agencies. For these purposes, confidential data include complete names and addresses, social security numbers, and federal employment numbers.

All sensitive paperwork must be secured at all times

BUDGET

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An annual operating budget will be prepared by the Finance Director and presented to the Coalition Board for approval at least 45 days prior to the beginning of the next fiscal year. The budget will reflect the cost of carrying out the programs and services of the Coalition for the next fiscal year, in accordance with the Office of Early Learning guidelines. This budget will reflect the anticipated grant funds and all donations for the purposes of achieving the Coalition's plan.

The budget will be viewed as the financial plan for the Coalition, and approval of the budget will be authority for the Chief Executive Officer to manage the Coalition's finances according to the plan without seeking further approval of the Committee. However, the Chief Executive Officer will keep the Coalition Board and Finance Committee well informed of the ongoing status of the financial plan and will not make expenditures outside of the budget plan without seeking the Committee's consideration and the Coalition Board's approval to amend the budget. All financial transactions not included in the approved operating budget must be reviewed by the Finance Committee and approved by the Coalition Board.

Monitoring of Budget Performance

It is the policy of the Coalition to monitor its financial performance by comparing and analyzing actual results with budgeted results.

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 Finance Director and distributed to each employee with budgetary responsibilities.

CASH FLOW MANAGEMENT

The Finance Director or designee monitors cash flow needs on a weekly basis to eliminate idle funds and to ensure that payment obligations can be met.

1. The Director of Finance or designee monitors the transfer of funds from OEL to the bank to ensure minimal time lapse between the transfer of funds and payment of allowable costs. The Director of Finance or designee then communicates this to the Lead Fiscal Specialist to begin payment procedure.
2. Based on the Coalitions financial obligations the Director of Finance or designee will initiate monies transfer among the established bank accounts to meet payment obligations.
3. All monies transferred will have a corresponding Journal entry and be reviewed by the Chief Executive Officer or designee.
4. Cash flow management documentation will be maintained in accordance with Records Retention policies.

ELECTRONIC FUNDS TRANSFERS/WARRANTS

The Coalition shall utilize electronic funds transfers to receive payments from the state of Florida. In the event the Coalition experiences changes that will impact the electronic fund transfer, the Coalition shall follow the instructions provided by the funding agency.

CLASSIFICATION OF INCOME AND NET ASSETS

All income received by the Coalition 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, including interest earned on advance funds.
2. Special endowments received from donors requesting that funds be permanently restricted for specific purposes.
3. Program Income which are special endowments received from donors requesting that funds be permanently restricted for current or enhanced program purposes.

FISCAL CONFLICT OF INTEREST AND RELATED PARTY ACTIVITIES

In the course of business, situations may arise in which an ELCIRMO 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, **Section 112.3143(1)(b) – Voting Conflicts, Section 1002.84(20), F.S. – ELCs; SR powers and duties; transparency and accountability for related party contracts.**

All Board Members, Chief Executive Officer and employees have an obligation to:

1. Avoid conflicts of interest, or the appearance of conflicts, between their personal interests and those of ELCIRMO 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

A conflict of interest arises when Board Member, Chief Executive Officer or employee involved in making a decision is in the position to benefit, directly or indirectly, from his/her dealings with ELCIRMO or person conducting business with ELCIRMO. (A potential conflict of interest exists when the Board Member, Chief Executive Officer or employee, or any member of his/her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or tangible personal benefit from a firm being considered for a contract.

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Conflicts of interest arise when a Board Member, Chief Executive Officer, or employee for which any transaction that benefits an interested party may be seen as competing with those of ELCIRMO. Such conflict of interests-

1. May be financial (where an interested party benefits financially directly or indirectly) or non-financial (e.g., seeking preferential treatment, using confidential information).
2. Include actual conflicts (where a real act, event or transaction has occurred), potential conflicts (e.g., when an employee or his/her immediate family member(s) may receive benefits or profit directly or indirectly), and perceived conflicts (e.g., where the nature and circumstances of the event or transaction would lead a prudent person to believe a conflict exists or may exist).
3. Include organizational conflicts of interest that occur because of relationships with a parent, affiliate or subsidiary organization. Due to interconnected nature of program operations, processes, and benchmarks, a non-Federal entity like ELCIRMO is unable to (or may appear to be unable) to operate on an independent or impartial basis in conducting a procurement action involving a related organization, such as an ELC or other OEL subrecipient.
4. Negotiates or approves a contract, purchase, or lease on behalf of ELCIRMO and has a direct or indirect interest in, or receives personal benefit from, the entity or individual providing the goods or services;
5. Employs or approves the employment of, or supervises a person who is an immediate family member of the Board Member, Chief Executive Officer or employee;
6. Sells products or services in competition with ELCIRMO;
7. Uses ELCIRMO's facilities, other assets, employees, Board Members, Chief Executive Officer or other resources for personal gain;
8. Receives anything of monetary gifts of substantial value, gratuities or favors from a vendor, if the Board Member, Chief Executive Officer or employee is responsible for initiating or approving purchases from that vendor. Unsolicited items of a nominal value are allowable.

Training and Disclosure Requirements

A Board Member, Chief Executive Officer or employee who believes that he/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. **As part of the training process, prior to completing the annual conflict of interest form, staff and governing board members will be given the conflict of interest policies to review what constitutes a conflict and the process for disclosure.**

Therefore, ELCIRMO requires the following:

1. On an annual basis, all members of the Board of Directors, the Chief Executive Officer, and employees with purchasing and/or hiring responsibilities or authority shall inform, in writing, the Chief Executive Officer and the chair of the Finance Committee, of all ~~reportable~~ **potential** conflicts. ~~See Attachments A and B.~~ **Completed conflict of interest disclosure statements will**

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be maintained in accordance with records retention requirements as specified in the Administrative Policy Manual.

- a. Disclose in writing all violations of federal criminal law involving fraud, bribery or gratuity violations potentially affecting the federal award.
2. Prior to the preparation of the disclosure statements, the finance department shall distribute a list of all vendors with whom ELCIRMO has transacted business at any time during the preceding year, along with a copy of the disclosure statement;
3. The Chief Executive Officer shall review all forms completed by employees, and the Finance Committee shall review all forms completed by Board Members and Chief Executive Officer, and determine appropriate resolution in accordance with the next section of this policy.
4. Board members are to disclose, in writing, in advance any real and/or perceived voting conflicts and abstain from any vote and from related purchasing/procurement discussions. In the event of a conflict, Form 8B Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers will be completed and maintained with the minutes.
5. Staff will not execute contracts with the "relative" of an entity employee or board member, as defined in s. 112.3143(1)(c), F.S., without the approval of OEL.
6. If a conflict arises during the year, the employee or board member will immediately notify the Chief Executive Officer who will determine appropriate resolution.

Resolution of Conflicts of Interest

All real or apparent conflicts of interest shall be disclosed to the Finance Committee and the Chief Executive Officer of the Organization. Conflicts shall be resolved as follows:

1. The Finance Committee shall be responsible for making all decisions concerning resolutions of conflicts involving Board Members, the Chief Executive Officer, and other members of senior management.
2. The chair of the Finance Committee shall be responsible for making all decisions concerning resolutions of conflicts involving Finance Committee members.
3. The chair of the board shall be responsible for making all decisions concerning resolutions of the conflict involving the chair of the Finance Committee.
4. The Chief Executive Officer shall be responsible for making all decisions concerning resolutions of conflicts involving employees below the senior management level, subject to the approval of the Finance Committee.

An employee, Board Member, or Chief Executive Officer may appeal the decision that a conflict (or appearance of conflict) exists as follows:

- a. An appeal must be directed to the chair of the board.
- b. Appeals must be made within 30 days of the initial determination.
- c. Resolution of the appeal shall be made by vote of the full Board of Directors.
- d. 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 ELCIRMO or to the government, for any loss or damage resulting from the violation. Any employee charged with a violation of this policy will be afforded an opportunity to explain her/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 employee who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this policy.
4. A board member who violates this policy will be removed from the board.

SPONSORSHIPS/PUBLIC ANNOUNCEMENTS

Publicizing, advertising or describing the sponsorship of early learning projects that are fully or partially financed with state or federal funds, the statement "Sponsorship by the Early Learning Coalition of Indian River, Martin & Okeechobee Counties, Inc. and the state of Florida, Office of Early Learning" shall appear in the same size letters or type as the ELC's name. The Coalition shall always only use the approved OEL logo in accordance to F.S. 286.25.

PURCHASING/PROCUREMENTS AND CONTRACTS

The Coalition procures commodities and services in accordance with the provisions of applicable OMB Uniform Guidance, Subparts D, E or F and sections 215.971, 287.057, and 287.058, Florida Statutes, federal regulations, state statute and rule requirements which apply to all activities and purchases made.

Responsibility for Purchasing

The Chief Executive Officer and all department heads shall have the authority to initiate purchases on behalf of their department, within the guidelines described here. The Lead Fiscal Specialist or designee may prepare the purchase order at the request of Department Directors/Managers or the Chief Executive Officer, but will not process until approved by the Finance Director.

The Finance Department shall be responsible for processing approved purchase orders. The Chief Executive Officer has approval authority over all purchases and contractual commitments, and shall make the final determination. The Director of Finance will assist during the procurement

process by reviewing the purchase order to determine availability of funds in the budget for the purchase.

Code of Conduct in Purchasing

Ethical conduct in managing ELCIRMO's purchasing activities is absolutely essential. Staff must always be mindful that they represent the Organization 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 vendor 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/her immediate family, his/her spouse/partner, or an ELCIRMO 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 of a nominal value of \$25 or less may be accepted with the approval of the Chief Executive Officer.

Authorizations and Purchasing Limits

The Chief Executive Officer is authorized to enter into any contract on behalf of ELCIRMO. Disbursements of ~~\$2,500~~ 3,000 or less allows any one authorized signatory to approve expenditure. Monthly recurring expenses regardless of dollar amount, i.e., rent, provider payments require one authorized signatory to approve the expenditure. Disbursements greater than ~~\$2,500~~ 3,000 or non-recurring items requires two authorized signatories approve the expenditure.

It is the responsibility of the Finance Committee to ensure that adequate controls and safeguards have been established for proper purposes of disbursement of funds.

The following table displays purchasing thresholds and required solicitations to comply with federal procurement requirements and the procurement requirements of sections 215.971, 287.057 and 287.058, Florida Statutes: required approvals are for internal control purposes and not Federal or Florida Statute procurement requirements.

1. Category One: \$20,000
2. Category Two: \$35,000
3. Category Three: \$65,000
4. Category Four: \$195,000
5. Category Five: \$325,000

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All contracts above the threshold amount for Category Two must be procured using competitive procurement except as exempted by state procurement law section 287.057(3)(f), Florida Statutes).

Amount of Purchase	Required Approvals	Required Solicitation
< \$2,500 <u>3,000</u>	<u>Chief Executive Officer</u>	1 written quote or written record of verbal quotation (at least one quote from a certified minority vendor, if available). If no certified minority vendor quote is included, documentation must be provided explaining why.
< \$2,501 <u>\$3,001</u> < <u>\$5,000</u>	Chief Executive Officer <u>Finance Chair</u>	1 written quote or written record of verbal quotation (at least one quote from a certified minority vendor, if available). If no certified minority vendor quote is included, documentation must be provided explaining why.
\$2,501 <u>\$5,001</u> < \$15,000	Chief Executive Officer Finance Chair Board Chair	2 written quotes or two (2) telephone quotation (at least one quote from a certified minority vendor, if available). If no certified minority vendor quote is included, documentation must be provided explaining why.
\$15,001 < \$35,000	Chief Executive Officer Finance Committee Board of Directors	3 written quotes or informal bids (at least one quote from a certified minority vendor, if available). If no certified minority vendor quote is included, documentation must be provided explaining why.
> \$35,001	Chief Executive Officer Finance Committee Board of Directors	RFP (Request for Proposal); ITB (Invitation to Bid) or ITN (Invitation to Negotiate)
Single Source Purchases < \$2,500 <u>3000</u> \$2,501 <u>3001</u> > \$15,000 > <u>\$5,000</u>	Chief Executive Officer Chief Executive Officer <u>Finance Chair</u>	<u>(Non-competitive Procurement)</u> Single source justification should explain why the product or service is available from only one source and should include

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<p>\$2,501 > \$15,000 <u>\$5,001 > \$15,000</u></p>	<p>Chief Executive Officer Finance Chair Board Chair</p>	<p>the elements detailed on the procurement internal procedure.</p>
<p>\$15,001 > \$35,000</p>	<p>Chief Executive Officer Finance Committee Board of Directors</p>	
<p>\$ > \$35,001</p>	<p>Chief Executive Officer Finance Committee Board of Directors</p>	<p>Commodities or contractual services only available from a single source in excess of Category Two, DOE will assist the Coalition by electronically posting a description of commodities or contractual services for a period of at least ten (10) business days.</p>

Methods of Procurement

Purchases must be made using one of the following allowed methods. The applicable federal regulations, state statute and rule requirements must be followed when determining cost items and administrative requirements that require prior approval, as some are only allowable with prior approval from the awarding agency.

Micro Purchase

Purchases of value at or below \$3,000 include but are not limited to a minimum of one written quote or written record of verbal quotation. Micro-purchases must be distributed equitably among qualified suppliers.

Small Purchase

Purchases of value ~~below~~ between \$2,500 \$3,001 and \$5,000 include but are not limited to a minimum of one written quote or written record of verbal quotation.

Purchases of value between \$2,501 \$5,001 and \$15,000 require a minimum of two written quotes or written records of two telephone quotations.

Purchases of value between \$15,001 up to and including Category Two (\$35,000) require a minimum of three written quotations or informal bids.

For all of the above, it is recommended that at least one quote be requested from a certified minority vendor, if available <https://osd.dms.myflorida.com/directories>. If no certified minority vendor quote is included, documentation should be provided explaining why.

Competitive Procurement

Full and open competition affords all potential vendors an equal opportunity to be selected to provide products or perform services for the Coalition. An open competitive process instills public trust and confidence in the methods used by the Coalition in selecting its vendors. As a result, competition is the preferred method of procurement. Full and open competitions result when all responsible sources are permitted to submit sealed bids or competitive proposals.

All procurement transactions will be conducted in the following manner:

- Allow for full, open and fair competition;
- Not place unreasonable requirements on firms in order for them to qualify to do business;
- Not require unnecessary experience and excessive bonding;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive contracts to consultants that are on retainer contracts;
- Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement;
- Any arbitrary action in the procurement process;
- Not use state or geographical preferences in the evaluation of bids or proposals except where federal statutes mandate or encourage it;
- Comply with bonding requirements for construction-related contracts, if allowable;
- Include all required/applicable contract provisions/disclosures in writing;
- Comply with instructions for procurement of recovered materials
- Comply with applicable cost and price analysis requirements
 - Applies at federal level for purchases in excess of simplified acquisition threshold (\$150,000)
 - Independent in-house estimates required before receiving bids or proposals
 - When applicable or required, negotiate profit as a separate element of price
 - Costs or prices are limited to allowable costs based on federal and state cost principles
 - Entity will not use the cost-plus-a-percentage-of-costs method of contracting

Invitation to Bid (ITB) is used when you know exactly what you want and the price is the determining factor. Use when

- Standard off-the shelf products are known to meet the need.
- Standard services and price structure will meet the need.
- Filling an immediate need once or a few times.
- Fulfilling a long term requirement with repetitive deliveries of the same or similar product/services.
- Wide competition is available.

ITBs are awarded to the responsive bid with the lowest price and are always awarded on a fixed price basis. Renewals must be stated in the ITB and must be formally advertised for 10 days. Examples of where ITBs are typically used include educational materials.

Request for Proposal (RFP) is used when you have a general idea of what you want. Services and price are evaluated. An RFP must be formally advertised for a minimum of 10 days and requires an evaluation team to be established with a minimum of three members who collectively have experience and knowledge in the program areas and service requirements for which commodities or contractual services are sought.

Use when

- It is not practical to specifically define the scope of work.
- Professional and technical expertise and quality of vendor and proposed offering are critical to success.
- Requirements include non-standard products/services, with some flexibility in what is ultimately purchased.
- The early learning coalition seeks to balance price and quality to achieve the best value.
- There are believed to be more than two vendors who can submit a satisfactory offer.
- The early learning coalition does not anticipate a need to revise the solicitation and proposals after initial receipt.
- Negotiations are limited to those elements described in the vendor's proposals.
- Awards may be on either a fixed price or cost reimbursement basis.

Renewals must be stated in the RFP and must be formally advertised for 10 days.

Invitation to Negotiate (ITN) is when the work to be performed cannot be defined in sufficient detail to support the other forms of solicitation; price is not the primary consideration in selection. ITNs are typically used for IT procurement or for new services where you have not awarded a previous contract. ITNs require an evaluation team to be established with a minimum of three members who collectively have experience and knowledge in negotiating contracts, contract procurement, and the program areas and service requirements for which commodities or contractual services are sought. When the contract value is in excess of \$1 million in any fiscal year, at least one of the persons conducting negotiations must be certified as a Department of Management Services (DMS) Certified Contract Negotiator. If the value of the contract is in excess of \$10 million in any fiscal year at least one of the persons conducting negotiations must be a Project Management Professional (PMP) as certified by the Project Management Institute.

Use when

- Negotiations may be necessary to receive the best value.
- Purchasing non-standard or customized products/services systems.
- There is "high" complexity to requirements and project.
- Emphasis on technology – the state procures IT contracts primarily through ITNs.
- Limited availability of competition – you know there may be only one responder to your advertisement.

- There may be multiple options for achieving the desired results.
- The service or commodity is mission critical for your early learning coalition.
- Price is important but not the most important factor.
- Award is based on solution or approach, qualifications and/or price.

Remember that if you use an ITN, you must write a justification and keep it on file for five years stating why this ITN was a better option than an RFP or ITB.

Non-competitive Procurement

A procurement contract entered into without full and open competition is noncompetitive. Such circumstances are single source and unusual and compelling circumstances.

Single Source Purchase is exempt from competitive biddings because it is available from only one source. The single source justification should explain why the product or service is available from only one source and should include

- Description and use (in layman's terms).
- List unique features that this item or service has that other comparable items or services lack and why these features are needed. Show as clearly and concisely as possible why only this item or this service will accomplish the function required.
- Explain if the product or service is being purchased directly from the manufacturer. If not, explain why the item cannot be bid to the various dealers.
- Documentation of efforts made to identify other sources of supply.
- Explain the necessity for compatibility with existing equipment or instrumentation, if applicable.
- Provide proof of copyright or patent.
- Price cannot be used as justification for a single source.
- Documented price analysis proving the agreed price is fair, reasonable and is not more than the competitive market rate. This may be accomplished by researching the current market price for the commodity or service.

For commodities or contractual services in excess of Category Two, see OEL guidance for additional procurement procedures.

Emergency Purchases are those the coalition executive director must determine in writing that an immediate danger to the public health, welfare, safety or other substantial loss to the coalition exists and requires emergency action. After the coalition ED makes a written determination, the coalition may proceed with the procurement of commodities or contractual services necessitated by the immediate danger, without receiving competitive sealed bids, competitive sealed proposals or competitive sealed replies. However, such emergency procurement shall be made by obtaining pricing information from at least two prospective vendors, which must be retained in the contract file, unless the coalition determines in writing that the time required to obtain pricing information will increase the immediate danger to the public health, safety, or welfare or other substantial loss to the state.

Exempt purchases are not subject to the competitive sealed bid requirements of subsections 287.057(1) or (3)(c), F.S., but are subject to all other provisions of Chapter 287, Florida Statutes., and the laws relating to the state chief financial officer's authority to audit expenditures for contractual services. The following contractual services and commodities are not subject to competitive-solicitation requirements; however, whenever possible, competition should be incorporated into the procurements.

1. Artistic services.
2. Academic program reviews if \$50,000 or less.
3. Lectures by individuals.
4. Legal services, including attorney, paralegal, expert witness, appraisal or mediator services.
5. (a) Health services involving examination, diagnosis, treatment, prevention, medical consultation or administration.
(b) Health services, including, but not limited to, substance abuse and mental health services, involving examination, diagnosis, treatment, prevention, or medical consultation, when such services are offered to eligible individuals participating in a specific program that qualifies multiple providers and uses a standard payment methodology. Reimbursement of administration costs for providers of services purchased in this manner shall also be exempt. For purposes of this subparagraph, "providers" means health professionals, health facilities or organizations that deliver or arrange for the delivery of health services.

For additional exempt purchases see OEL guidance on procurement requirements.

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. Vendor 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. Vendors 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 Vendors

Vendors shall be evaluated on a weighted scale that considers the following criteria:

1. Adequacy of the proposed methodology
2. Skill and experience of key personnel
3. Demonstrated experience
4. Other technical specifications designated by department requesting proposals
5. Compliance with administrative requirements of the request for proposal (format, due date, etc.)
6. Vendor's demonstrated commitment to the nonprofit sector
7. Results of communications with references supplied by vendor
8. Commitment to meeting time deadlines

9. Cost

10. Certified Minority Vendor

11. Other criteria (to be specified by 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 vendor has been selected, the recommendation will be presented to the Board for final approval prior to entering into the contract.

Right to Audit Clause

ELCIRMO requires a "Right to Audit" clause in all contracts between the ELCIRMO and vendors that either:

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

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

Contract Administration/Management and File Contents

Administration/Management:

The Director of Operations shall be designated as the contract administrator and contract/grant manager with responsibilities for enforcing performance of the contract/agreement's terms and conditions. In absence of the Director of Operations, the Director of Finance, shall be designated as the contract administrator and contract/grant manager.

Administrator

- Create and maintain a contract file
- Maintain financial information on all contracts
- Manage changes to contract(s)
- Serve as liaison between the contract/grant manager and the entity and OEL
- Provide clear, explicit and documented communication.

Manager

- Manage the receipt of goods/services

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- Monitor and evaluate provider performance and end user satisfaction
- Serve as liaison with the provider/contractor
- Maintain a contract management file pursuant to CFO Memo No. 06 (2011-12)
- Provide written certification that goods were received / services were obtained per terms and conditions before making payment.
- Prepare cost reconciliation files.
- Prepare a final reconciliation report

File Content Documents:

Formal Contract

1. Original executed (signed) contract/grant
2. Contractor name
3. Contract amount
4. Subcontracts, memorandums of agreement, if applicable
5. Amendments
6. Renewals
7. Bonds
8. Insurance
9. Funding source(s)
10. Contract relationship [Ch. 69I-5.006, FAC and 45 CFR Part 75.351]
11. Provider's justification of need for advance, if applicable
12. Scoped reporting requirements (evaluation reports, performance measures, etc.)

Day-to-Day Management

1. Performance documentation
2. Correspondence
3. Payment documentation
4. Deliverables
5. Subcontractor approvals
6. Status of reporting requirements
7. Contract monitoring for contracts other than SR/VPK as these are detailed in the SR Plan
 - a. Vendors/contractors
 - b. Subrecipients – Not Applicable as Coalition provides services directly

Formal Monitoring Process

1. Risk Assessment
2. Monitoring Plan
3. Monitoring Procedures and Criteria
4. Evidence to support conclusions reached during its monitoring process
5. Corrective Action Plan (if required)
6. Follow-up on Corrective Action (if required)

Additional federal considerations [2 CFR Part 200.326; 2 CFR Part 200 Appendix II]

For transactions funded by federal programs, additional disclosures are required regardless of scoped/services.

- 1) Debarment and suspension provision(s).
- 2) Equal Employment Opportunity provision.
- 3) Other/additional terms may also apply based on scoped goods/services.

Other related contracts administration activities

1. Subrecipient contracts and subawards
 - a. Risk assessments – planning and monitoring phases
 - b. Additional disclosures and special conditions
2. Contracts Closeout
3. Problems with Vendor/Contractor Performance
4. Contract Termination
5. Prior approval documentation requirements
6. Conflict of Interest disclosures (if applicable)
 - a. Coalition governing board members
 - b. Coalition employees
 - c. Relative(s) of either group as defined in statute
 - d. Organizational conflicts

Federal instructions [2 CFR Part 200.318(b)]

1. Contract files include documentation for Authorization of work.
 - a. No work authorized until contract is fully approved and executed.
 - b. No change in work is authorized until a fully approved and executed contract amendment is in place.
 - c. No contract amendment for work will be executed without required review/approval based on entity's related policies /limits and any related grant terms from funding source.
2. Conformance of work – establish and maintain a system based on applicable laws, rules, regulations and grant provisions to reasonably ensure goods/services are received as intended and when intended.
3. Contract/Grant manager will authorize payment of invoices to contracts after final approval of work products.

Related Party Procurement Transactions

All entities expending state-appropriated funds, including Coalitions, are prohibited from entering into contracts in excess of \$25,000 without prior approval from the Office of Early Learning (OEL) when the contract is with coalition employees, coalition governing board members or relatives of either group.

- Such contracts (in excess of \$25,000) are required to be presented to the coalition governing body for a vote.

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- Coalitions are allowed to enter into contracts below \$25,000 without prior approval from OEL when the contract is with coalition employees, coalition governing board members or relatives of either group and such contracts are required to be presented to the coalition governing body for a vote.
 - A valid vote of approval requires a two-thirds vote by the governing board with an established quorum.
 - The impacted individual must complete the necessary conflict of interest disclosure forms.
 - Any governing board member(s) benefiting from or whose relative may benefit from the contract(s) must disclose in advance the conflict of interest and must abstain from the vote process.

Such contracts below \$25,000 are required to be reported to OEL within 30 days after approval by the coalition governing board is obtained.

Procurement Procedures

1. ELCIRMO shall avoid purchasing items that are not necessary for the performance of the activities required by a Federal award.
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. This analysis should only be made when both lease and purchase alternatives are available to the program.
3. When possible, use state and local inter-entity agreements to procure common or shared goods and services.
4. Some form of cost or price analysis shall be made for every procurement. Price analysis may be made in various ways, including comparison of price quotations submitted or market prices. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability, and allowability.
5. Documentation of the cost and price analysis associated with each procurement decision shall be retained in the procurement files pertaining to each Federal award.
6. For all procurements in excess of the purchase threshold of Category Two (\$35,000) procurement records and files shall be maintained to include all of the following:
 - a. The basis for contractor selection.
 - b. Justification for lack of competition when competitive bids or offers are not obtained.
 - c. The basis for award cost or price.
7. ELCIRMO shall make all procurement files available for inspection upon request by a Federal awarding agency.

8. All contracts with vendors shall require certification in writing that it has not been suspended or disbarred from doing business with any Federal agency. Internal procedure on contract management will be followed for required contract components.

9. All procurements will follow the above established guidelines under methods of procurement.

All staff members with the authority to approve purchases will receive a copy of and be familiar with OMB Uniform Guidance, Subpart E, federal cost principles.

Vendor Files and Required Documentation

The Finance Department shall create a vendor folder for each new vendor from whom ELCIRMO purchases goods or services.

The Finance Department shall mail a blank Form W-9 to new vendors and request that the vendor 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 vendor's folder. Vendors who do not comply with this request shall be issued a Form 1099 at the end of each calendar year

Receipt and Acceptance of Goods

The Receptionist shall inspect all goods received. Upon receipt of any item from a vendor, the following actions shall immediately be taken:

1. Review bill of lading provided by the delivery carrier i.e., UPS, 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 received to the packing slip.
7. Examine goods for physical damage.
8. Count and record any discrepancies on the purchase order.

This inspection must be performed in a timely manner to facilitate prompt return of goods and/or communication with vendors.

PREPAYMENT FOR GOODS AND SERVICES

The Coalition is authorized to prepay for goods and services not received by year end; however the prepayment must meet one of the following criteria:

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1. The prepayment is a result of an obligation, as defined in the OMB Uniform Guidance that occurred during the funding period.
2. The prepayment circumstances are reasonable (e.g., it is ordinary and necessary; it is of sound business practice.)
3. The prepayment is a reasonable allocated cost to the funding agency based on the benefits received.

If the prepayment meets one of the above, the following documentation must be included with the prepayment request:

1. A description of the cost to be pre-paid and the grant program to be charged for the cost, along with applicable funding periods of the grants charged.
2. The cost saving or other business rationale for making the prepayment.
3. A description of the methodology used to allocate the cost among the various benefiting grant programs.
4. The time period covered by the prepayment.

DISBURSEMENT CONTROLS

Invoice Requirements

- 1) All invoices must be original invoices. The agency is required to maintain original invoices or the scanned images of original invoices and any additional information to support the disbursement of state funds. If the original invoice is not available, a duplicate of the invoice shall be maintained by the agency provided the agency has determined that the invoice has not been previously paid. The duplicate invoice must be labeled "original invoice not available – agency records show that this obligation has not been previously paid. Signed _____." This statement must include the original signature of the person making the determination.
- 2) Invoices must clearly reflect a description of the item or items, the number of units and the cost per unit. Numerical code descriptions alone will not be accepted. When the warrant is for a postage meter, the meter number or permit number is required.
- 3) Invoices and other supporting documentation included in a voucher must be grouped by vendor and arranged in the same order as the vendors listed on the voucher schedule. If the voucher includes multiple invoices from the same vendor, the voucher must include an adding machine tape or other evidence showing that the total of the invoices is equal to the amount shown on the voucher schedule.

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- 4) Thermofax copies, because of their temporary nature, may not be used as supporting documentation in vouchers submitted for payment. If a thermofax document must be used, it must be copied on a standard photocopy machine and the standard photocopy included in the voucher.
- 5) A statement will not be paid unless it can be clearly shown that it is to be used as an invoice.
- 6) No balances for prior purchases will be paid unless supported by original invoices.
- 7) In the event it becomes necessary for an agency to “split” an invoice, it will be necessary for the agency to supply additional information showing the distribution of charges between funds for such invoice and a cross reference for all such vouchers.
- 8) Acronyms and non-standard abbreviations for programs or organizational units within an agency should not be used in the supporting documentation included in a voucher unless an explanation is also included.

Processing

The Coalition will ensure appropriate and adequate invoice processing and controls occur.

1. Contractual service invoices submitted by a vendor/contractor/service provider for payment processing must clearly identify, at a minimum,
 - a. The dates of services, a description of the specific contract deliverables provided during the invoice period and the quantity provided, and the payment amount specified in the agreement for the completion of the deliverable(s) provided.
2. Cost reimbursement invoices must reflect the expenditures incurred by expenditure category.
3. Required information may be submitted on the invoice or in a report format along with any other information required by the terms of the agreement.
4. Written certification, from the contract/grant manager, that services were performed in accordance with the contract terms must be obtained and kept in entity files. [s. 287.057(14), F.S.]

Controls [69I-24.003, F.A.C.; CFOM No. 06 (2011-12)]

1. The Entity will receive deliverables and provide written certification of such before payments are made.
 - a. Approval and inspection of goods or services shall take no longer than 5 working days unless the bid specifications, purchase order or contract specifies otherwise. [s. 215.422(1), F.S.]
 - b. Terms conditions must be specified and must accompany the request for payment to evidence delivery of goods/services. *If it isn't documented, it didn't happen.
 - c. Entity must ensure that deliverables were received on time and as intended (i.e., met performance measures) before release of payment is approved/processed. *
 - 1) May use a Contract Summary Form
 - 2) May use a written certification from the assigned contract manager on the invoice
 - 3) May use a Deliverable Tracker – track deliverables schedule
 - 4) May use a Deliverable Acceptance form to help document

- 5) May use a Deliverable Acceptance form to help document
2. The Entity will ensure invoices have adequate documentation and are processed on a timely basis.
 - a. Documents for goods/services received are date stamped.
 - b. Review invoice for accuracy and completeness of the following details. [69I-40.002, (3), F.A.C.]
 - 1) Description of the item(s).
 - 2) Number of units.
 - 3) Cost per unit.
 - 4) Service dates coincide with invoice period.
 - 5) Minimum level of services has been provided.
 - 6) Amount invoiced coincides with the terms/conditions.
 - c. Verify any required supporting documentation has been submitted.
 - d. Review documentation to gain reasonable assurance that commodities/contractual services have been satisfactorily provided within the terms of the contract/agreement.
 - e. Complete any additional processes required by ELC policy.
 - f. Certify the entity's receipt of goods/services.
 - g. Invoices shall be paid according to state rules for Prompt Payment Compliance.
 - 1) Section 215.422(3)(b), F.S., requires interest to be paid to the vendor if payment is not issued within 40 days after receipt of the invoice and receipt, inspection, and approval of the goods and services.
 - 2) DFS does not require agencies to pay interest penalty invoices of less than \$1.00 unless the vendor asserts his right to the interest penalty payment either orally or in writing.
3. Enforce terms and conditions [s. 287.057(14)(b), F.S.; DFS-related contract manager guidance]
 - a. Entity staff assigned contract/grant management duties are required to work with the contractor/vendor to ensure that goods/services are received as intended and contract/agreement terms are enforced.
 - b. Use performance bonds when appropriate.
 - c. Verify financial consequences are addressed.
 - d. Verify terms for liquidated damages are included (when applicable) to compensate the entity for any losses realized.
4. For disputes about receipt of goods/services [s. 215.422(8), F.S., Payments...disputes]
 - a. Entity will have written procedures and instructions for staff.
 - 1) Invoice may be prorated, reduced or withheld according to the financial consequences established in contract/agreement.
 - 2) Partial or prorated payments must be made based on the deliverables that can be validated and supported by adequate documentation.
 - b. If no financial consequences are included in contract/agreement OR documentation can't be provided, the payment should be withheld until the issue is resolved or a settlement is reached.
 - c. Inform staff of settlement agreement process.

- 1) Used when the amount owed to a provider/contractor is in dispute.
- 2) A lengthy, cumbersome and potentially expensive process the Coalition will not be able to complete alone; legal counsel will be required.
- 3) Required for many situations including
 - a) To settle a lawsuit, damages or legal fees;
 - b) Absence of an executed agreement;
 - c) Agreement was executed after services were rendered;
 - d) Additional services not included in the agreement were provided;
 - e) Services were rendered after the agreement expired.

SEGREGATING UNALLOWABLE AND ALLOWABLE COSTS

It is the policy of the Coalition that only costs that are reasonable, allowable and allocable to a federal award shall be charged to that 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. Specific procedures are in the Financial Procedures Manual.

The Coalition applies the following questions to each transaction and documents the results.

Phase I Analysis – General considerations for allowable costs

1. Consider requirements from federal regulations and program requirements
 - a. Is the proposed cost allowable based on instructions from uniform grant guidance?
 - b. Is the proposed cost consistent with the federal cost principles?
2. Consider requirements from the federal awarding agency
 - a. Is the proposed cost allowable based on agency-specific regulations?
 - b. Is the proposed cost allowable based on the related terms/conditions that govern the agency's award to/agreement with OEL?
 - c. Is the proposed cost consistent with the grant project performance measures or benchmarks?
3. Consider requirements from applicable state guidance
 - a. Is the proposed cost consistent with authorized grant program activities as described in the USDHHS-approved CCDF State plan?
 - b. Is the proposed cost allowed by state expenditure guidance from state statutes, rules, regulations or guidance from DFS/DMS?
 - c. Does the proposed cost comply with related grant program terms/conditions issued by OEL for grant awards, contracts, purchase orders and other expenditure agreements?
4. Consider the period of performance
 - a. Is the proposed cost for the allowed period of availability as defined for the funding program?
5. Consider other oversight instructions
 - a. If federal or state-level prior approval is required for the proposed cost, was this process followed?

Phase II Analysis – Specific factors affecting allowable costs

Several additional factors should be considered and documented by staff for cost transactions. The answer for each question listed here must be “yes” in order for staff to continue with the transaction.

1. The proposed cost(s) is/are –
 - a. Necessary
 - b. Reasonable
 - c. Allocable
 - d. In conformance with federal law and grant terms and conditions
 - e. Consistent with state and local policies
 - f. Consistently treated
 - g. In accordance with generally accepted accounting principles (GAAP) and other standards each non-federal entity that receives federal/state grant program funds must use accounting rules and procedures established by authoritative bodies or conventions that have evolved through custom and common usage.
 - h. Not used as match on another federal award
 - i. Net of applicable credits (2CFR§200.406)
 - j. Adequately documented

Priority of compliance with federal guidance. If instances of inconsistency are noted between USDHHS program guidance (i.e., 2 CFR §300 and 45 CFR Parts 98 and 99) and the OMB uniform guidance (i.e., 2 CFR §200), the program-specific guidance instructions from USDHHS will govern and will supersede the standard instructions from 2 CFR §200 all circumstances.

Priority of compliance with state guidance. Please note State of Florida’s program-specific instructions from state statutes, rules, regulations or guidance from the Department of Management Services (DMS) or the Department of Financial Services (DFS) also apply to and govern Florida’s early learning programs. If instances of inconsistency are noted between federal level program guidance and the state’s guidance on expenditures, the state guidance from DFS and DMS will govern.

Use of purchase orders [60A-1.016, F.A.C., Contract and Purchase Order Requirements]

The Coalition utilizes a purchase order system and not vouchers for purchases. 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 described elsewhere in this manual.

Purchase orders shall be pre-numbered, kept in a secure area by the Lead Fiscal Specialist or designee, 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 Finance Director.

A properly completed purchase order shall contain the following information.

1. Minimum required Purchase Order policy disclosures
 - a. Contractor name, address, point of contact and phone number
 - b. Source of funding
 - c. Solicitation number (if applicable)
 - d. Statements regarding the quantity, description, and price of goods or services ordered
 - e. Applicable payment terms and discounts
 - f. Date of performance, transportation/delivery
 - g. Liquidated damages
 - h. Catalog number, page number, etc. (if applicable)
 - i. Net price per unit, less any discount(s)
 - j. Total amount of order
 - k. Authorized signature
 - l. Date purchase order was prepared
 - m. Additional disclosures may also apply for higher dollar purchases
 - 1) Payment audit (records of costs will be available upon request)
 - 2) Payment made after written "agency" acceptance
 - 3) Payment timeframe – timely payments will be made
 - 4) Funding availability/annual appropriation
 - 5) No lobbying
 - 6) Public access/public records
 - 7) Conduct of business – federal/state laws govern
 - 8) Conflict of interest/related party activities
 - 9) Confidentiality and safeguarding information
 - 10) Termination for cause – required for purchases in excess of \$10,000
 - 11) Remedies – required for purchases in excess of \$35,000
2. Minimum Entity control processes required for Purchase Orders (see 60A-1.016, F.A.C.)
 - a. Secure all unused purchase orders in a safe place and restrict access to these documents.
 - b. Maintain a file and accounting system for all consecutive purchase orders issued or voided.
 - c. Maintain a record of persons authorized to issue and sign each type of purchase order.
 - d. Monitor and review processes for the use of purchase orders. Rationale for method of procurement.

All completed purchase orders must be signed by the preparer, reviewed by the Director of Finance or designee for funding availability and approved by the Chief Executive Officer or designee.

USE OF CREDIT/PURCHASING CARD

It is the policy of the Coalition to authorize the Chief Executive Officer to utilize a credit/**purchasing** card to purchase commodities or services when it is practical to utilize due to timelines or other situations, **i.e., charges require advance payment, emergency purchases, time sensitive purchases or to place holds on items like hotel reservations.** Credit/**Purchasing** Card **statements/** invoices will be paid in full each month. **On a monthly basis, the credit card statement will be reviewed and approved by the Finance Chair for purchases made by the members of the management team.**

The Chief Executive Officer can authorize corporate credit card use with a signed credit card use form to the Finance Director or designee. In the event use of the credit card is necessary and the Chief Executive Officer is not available to sign the credit card authorization form an email from the Chief Executive Officer authorizing the use of the credit card will be sufficient to proceed with the order; copy of email to be attached to order. The signed form will be obtained as soon as the Chief Executive Officer is back in the office.

Credit/purchasing cards and users are as follows:

Corporate credit card – Chief Executive Officer

Sam’s Club – Director of Operations

Office Depot – Director of Operations

Wal-Mart – Director of Operations

No personal items and/or expenses are to be billed to the Coalition.

Authorized spending levels and approvals required.

The Chief Executive Officer is charged with the responsibility to safeguard the Credit Card and ensure proper use.

Purchases of <\$3000 requires Chief Executive Officer approval

Any single item Purchase of ~~\$2,501~~ **3,001 up to \$5,000 requires prior approval by Chief Executive Officer and Finance Chair,**

Purchases of ~~\$2,501~~ 5,001 up to \$15,000 requires prior approval by Chief Executive Officer, Finance and Board Chair

Purchases between \$15,001 up to the credit line of \$19,500 requires prior approval by Finance Committee and Board of Directors.

Minimum required credit/purchasing card policy management process.

- 1. To issue credit/purchasing cards and to periodically review list of users to ensure the cards are issued to appropriate approved staff members.**
- 2. To ensure card users receive notice of usage guidelines. Includes safeguarding of issued cards, card holder duties, tips to avoid identify theft, and prohibited purchases/activities.**
- 3. Credit/Purchasing cards are not used to circumvent compliance with normal requisitioning transactions.**

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4. Staff prepares reconciliations and maintains adequate supporting records for disbursements made by credit/purchasing card.
5. Periodically review purchase activities made by credit/purchasing cards to ensure purchases are allowable and are not being split to stay below established spending thresholds.
6. A process to document instances of card misuse by staff and issue notice of personnel actions taken/required (if applicable).

Minimum credit/purchasing card policy elements/staff instructions.

1. Staff are to safeguard credit/purchasing cards when not in use.
2. No personal items and/or expenses are to be billed to the Coalition, i.e., cash advances, personal vehicle fuel, oil, or repairs, goods or services restricted by purchasing policies, and personal travel expenses, except as authorized by Travel Expenses.
3. Due dates for supporting documentation and documentation requirements.
 - a. Supporting documentation must be submitted as soon as available, but no later than the 15th of each month in which a purchase is made.
 - b. Original receipts supporting transactions are maintained and marked/de-faced once payment has been authorized/made.
 - c. Receipts must clearly reflect a description of the goods or services acquired, number of units, and cost per unit. The combination of several documents to provide the description, number of units, and cost per unit may be used (i.e., quote sheets, packing slips, web page screen-prints, cash register receipts, charge slips). Numerical code descriptions alone are not acceptable.
 - I. All receipts for commodities shall be signed and dated by the cardholder to indicate the receipt, inspection and acceptance of the goods or services.
 - II. Receipts for services require clear evidence that services were satisfactorily received.
 - d. Acronyms and non-standard abbreviations for programs or organizational units within an agency should not be used in the supporting documentation unless an explanation is also included.
4. The credit/purchasing card statement will be reviewed monthly to ensure purchases are allowable expenses, supporting documentation is provided and if applicable, required approval(s) were obtained.

Additional requirements for credit/purchasing cards.

1. State statute prohibits sellers and lessors from charging convenience fees and surcharges for the use of credit cards.
2. Such costs are unallowable, and should not be submitted for reimbursement.
3. Florida law also provides that any person who violates this provision is guilty of a second degree misdemeanor.
4. If this activity occurs additional vendor notifications may be required.

TANGIBLE PERSONAL PROPERTY

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Tangible personal property purchased solely with state funds (e.g., VPK funds) must apply all applicable requirements described under Chapter 274, F.S., and Rule 69I-73, F.A.C. Tangible personal property purchased solely with federal funds (e.g., SR funds) must apply all applicable requirements provided under 2 CFR §200, 45 CFR § 75, 45 CFR § 98, Chapter 274, F.S. and Rule 69I-73, F.A.C. When combining funding for the purchase of tangible personal property, then the more restrictive requirements apply.

Definitions

Custodian – The person or agency entitled to lawful custody of tangible personal property.

Custodian Delegate – The person 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

Management of Property

Recording of Property

The Coalition shall keep a Master Property Inventory Log of its grant purchased capitalized fixed assets (purchased by the coalition).

1. Each property record entered at the time of the purchase transaction must include the following information:
 - a. Identification number
 - b. Description of item or items
 - c. Physical location, use and condition of the property
 - d. Name of custodian with assigned responsibility for the item
 - e. In the case of a property group, the number and description of the component items comprising the group
 - f. Name, make, or manufacturer, if applicable
 - g. Year and/or model(s), if applicable
 - h. Manufacturer's serial number(s), if any, and if an automobile, vehicle identification number (VIN) and title certificate number, if applicable
 - i. Date acquired
 - j. Cost or value at the date of acquisition for the item
 - k. Method of acquisition and, for purchased items, the voucher and check or warrant number
 - l. Date the item was last physically inventoried and the condition of the item at that date
 - m. If disposed of, use or refer to the information prescribed in Rule 69I-73.005, F.A.C.
 - n. The coalition or contractor may include any other information on the individual property record that it may care to include

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- o. 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 #)
- p. Percentage of federal participation (i.e., identify portion of each item's costs funded by federal grant or project)

Identification/Marking of Property

Within thirty (30) days of receipt, the custodian or custodian delegate must place a decal or tag on an item of grant-purchased property to identify the property. The decal or tag should contain as least a unique identification number and the name of the Coalition. The custodian or custodian delegate must record the property tag identification number on the Master Property Inventory log.

Location of Marking

The custodian or custodian delegate must mark items of a similar nature in a similar manner to facilitate identification. When determining a marking location, the custodian or custodian delegate must give careful consideration to the intended use of the items; the probability of wear, vandalism or routine maintenance functions could obliterate the marking; and the appropriateness of the marking method chosen. Additionally, the location and 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., each 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 must provide the updated Master Property Inventory List to OEL no later than October 1 of each year or within 30 days of a change in custodian or custodian's delegate. This physical inventory shall be recorded on the Master Property Inventory Log and shall be completed as follows:

1. For the inventory of an item physically present and properly described on the Master Property Inventory List:
 - a. Physically inspect the item.
 - b. Match the property tag identification number and description of the item against the master property inventory list.
 - c. Verify the current condition of the item against the condition described on the Master Property Inventory List.
 - d. Record the initials of the person taking the inventory next to item on the Master Property Inventory Form, indicating that the person inventoried the item, and the date performed.
2. For the inventory of an item physically present with incorrect or missing information:
 - a. 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 must investigate and correct the description

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- as appropriate. The custodian should 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 (1) above.
- b. If an item's property tags identification number does not appear on the Master Property Inventory List, the custodian must 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 (1) above.
 - c. If an item does not have a decal or tag with a property tag identification number, the custodian must investigate and correct the inventory as appropriate. The custodian should 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 (1) 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 (1) above.
 - d. 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.
3. For the inventory of an item on the Master Property Inventory Log but no longer physically present, make the appropriate notation as follows:
- a. Transferred: The item is transferred to another location or entity (i.e., another contractor, same Coalition area). Note the change of location on the Master Property Inventory List.
 - b. 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.
 - c. Lost: The item is missing and determined lost. Note on the Master Inventory List the date the custodian determined the item to be lost.
 - d. Surplus: The item is surplus and reported on the Surplus Property form along with a signed Surplus Property Affidavit.
4. Enter the date, required certification signatures, and other requested information on the last page of the Master Property Inventory Form.
5. Additional Considerations
- a. 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.
 - b. 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, digital cameras) costing less than \$1,000.
 - c. 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

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must create an inventory form for the item at that time. After appropriate investigation to establish the ownership of the item, the custodian must 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 a manner provided by law applicable to surplus property, pursuant to Sections 275.05 and 274.06, F.S.

- d. The custodian or custodian delegate must not personally inventory items for which the custodian or custodian delegate is responsible.
- e. Upon request, the Coalition must make the Master Inventory List available for inspection by OEL to assure compliance with applicable federal and state requirements.

Use of Equipment

- a. Equipment is used by the funding program/project as long as needed;
- b. If there's extra capacity available, use the equipment for other partnering programs/projects;
- c. If used for other programs/projects any related usage fees must equal those charged by other private companies for the same equipment; and

Maintenance Procedures and Adequate Safeguards of Equipment

The custodian or custodian delegate will implement adequate maintenance procedures to ensure the equipment listed on the Master Property Inventory log is kept in good condition and safeguards to prevent loss, damage or theft of property. On an annual basis, during the physical inventory each asset will be reviewed to ensure the following.

1. Each asset is in good working condition for the services they support.
2. Assets in need of repair, replacement or disposal will be handled in accordance with written policy to prevent service delivery interruptions or service quality risks and minimize risks to employee/customer safety and occupational health and safety.
3. Investigate any loss, damage or theft of property and report as necessary.

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 OEL's prior approval.

Transferring Property within the Coalition

The custodian or custodian delegate must 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.

Lost or Stolen Grant-Purchased Property

Upon completion of a physical inventory or other discovery, the custodian must reconcile inventory records as appropriate. This includes comparing the data listed on the inventory forms with the individual property records. The custodian must investigate noted differences such as location, condition, and custodian and correct as appropriate. Alternatively, the custodian must relocate the item to its assigned location and custodian in the individual property record. Further, 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 must update the individual property record at the time of determination, and file a report filed with the appropriate law enforcement agency describing the missing item and circumstances surrounding its disappearance.

Disposition of Equipment

Based on Section 274.055, F.S. and Rule 69I-73.005, F.A.C., when original or replacement equipment acquired under a grant, sub-grant or contract is no longer needed for the original purpose or program or for other activities currently supported by OEL, disposition of the equipment will be made as follows.

1. Items of equipment with an acquisition cost of less than \$1,000 may 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 a right to an amount calculated by multiplying the current market value or proceeds from the sale by OEL's share of equipment's original costs.

Note: Funds from such sales/disposals will be treated as other SR and/or VPK program income. See OEL Program Guidance 240.01, Cash Management Procedures, for more details.

If the Coalition has no need for grant purchased equipment or is no longer required by the coalition, is obsolete, is not usable, or is not economical or efficient to use, the coalition may surplus or dispose of the property with a current market value less than \$5,000, the custodian must perform the following tasks.

1. The custodian or custodian delegate shall distribute a list to all other Coalitions of surplus grant purchased property that is in excellent, good, and fair condition, giving notice of the availability of the surplus grant purchased property. The surplus grant-purchased property is available for a period of 10 working days from the date of notification of availability.
2. Obtain governing body approval for disposition of items.
3. The custodian or custodian delegate will record the following information on the individual property record for each item for disposal:
 - a. Date of disposition.
 - b. Authority for disposition (resolution of the governing body properly recorded in the minutes as Chapter 274.07, F.S., requires).
 - c. Manner of disposition (sold, donated, transferred, cannibalized, scrapped, destroyed, traded).

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- 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 or contractor disposed of such property in the manner Chapter 274.05 or 274.06, F.S., requires.

If the custodian or custodian delegate identified for disposal equipment items with a current market value of more than \$5,000, such equipment items must be processed in accordance with 2 CFR § 200.313(e)(2), Equipment, with the assistance of and prior approval from OEL.

1. The Coalition shall record the item on the Surplus Property Form and submit it to the awarding agency. The form shall include the following information:
 - a. Date
 - b. Coalition name
 - c. Physical location of the item
 - d. Phone number and fax number of the Coalition
 - e. Property tag identification number
 - f. Description, model, and manufacturer
 - g. Condition of the item
 - h. Manufacturer's serial number
 - i. Authorizing signature
 - j. Any additional comments regarding the condition of the item beyond the condition codes listed earlier.
2. The Coalition shall list an item in poor or scrap condition on a separate Surplus Property Form, from an item in excellent, good, or fair condition. The Coalition shall forward a copy of the Surplus Property Form to awarding agency.
3. The awarding agency shall approve the disposition of surplus grant purchased property before its disposition. The awarding agency has the right to take ownership of grant-purchased property that the Coalition declares as surplus.
4. The Coalition shall distribute a list to all other Coalitions of surplus grant purchased property that is in excellent, good, and fair condition, giving notice of the availability of the surplus grant purchased property. The surplus grant-purchased property is available for a period of 10 working days from the date of notification of availability.
5. For surplus grant-purchased property not transferred to another Coalition, the Coalition may transfer the grant-purchased property to a nonprofit organization dispose of the grant-purchased property by completing the following.
 - a. Transferring the grant-purchased property to another governmental entity (e.g., public school, state agency, local governments);
 - b. Transferring the grant-purchased property to a nonprofit organization (e.g., Goodwill, Salvation Army) recognized by the Internal Revenue Service (IRS) as exempt from federal income taxation under s. 501(c)(3) of the Internal Revenue Code. When donating an item to a nonprofit

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- organization, a copy of the letter from the IRS recognizing the organization's tax exemption must be attached to Surplus Property Affidavit; or
- c. Disposal of grant-purchased property in another appropriate manner, including, but not limited to, taking the grant-purchased property to a landfill
 - d. The Coalition shall remove the property identification tag from an item before disposing of the grant-purchased property. After the grant purchased property is disposed, the Coalition shall note the disposition on the Master Property Inventory Log, and on the Surplus Property Affidavit.

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 must 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 are established to protect the confidentiality, integrity, and availability of data and information resources relative to equipment items to be disposed by the coalition. These controls related to the surplus computer hard drive are intended to minimize the risk the coalition information may be compromised.

TRAVEL EXPENSES

The authority for reimbursement of travel expenses is contained in s. 112.061, Florida Statutes (F.S.), which prescribes per diem and travel expenses of public officers, employees, and other authorized persons; and Chapter 69I-42, FAC, wherein is established the Rules of the Bureau of Auditing in regard to authorizing and reimbursing travel expenses. Travel reimbursements will be made in accordance with the DOE Travel Manual, Chapter 8.0. ~~Coalition's travel procedure.~~

1. Expenditures properly chargeable to travel include registration payments, reimbursements of mileage for use of a privately-owned vehicle, per diem and subsistence allowance, common carrier transportation and other expenses incidental to travel which are authorized by law. Travel expenses are governed by 112.061 F.S., rule 69I-42 Florida Administrative Code (FAC), Rules of the Bureau of Accounting and Department of Finance Voucher Reference Guide for State, and Attorney General Opinion 77-123.
2. Vouchers submitted in payment for a travel reimbursement request must include:
 - (1) The travel voucher;
 - (2) Itemized hotel receipts, if applicable;
 - (3) Applicable transportation receipts for common carrier travel;
 - (4) Applicable incidental receipts; and,

(5) In the case of a conference or convention, pages of the agenda that itemizes the registration cost.

Travel Authorization

1. Any travel requiring lodging and/or conference registration must be authorized in advance. Staff will complete the attached "Travel Arrangement Request Form" and forward it to their respective supervisor for approval. Managers who report directly to the CEO will need only to forward the form to the CEO for approval. The CEO's travel form will be approved by the Board Chairman or his/her designee. Completed "Travel Arrangement Request form" will be submitted to the Lead Fiscal Specialist or designee for handling
2. No traveler may approve his/her own State Travel Reimbursement Request Form or Travel Arrangement Request Form at any time.

Requirements for Travel Expense Reimbursement

The request for reimbursement of travel expenses must be made on the approved State Travel Reimbursement Request Form. The travel voucher must be signed and dated by the traveler and the supervisor authorizing the travel. Requests for mileage reimbursement must be submitted monthly, but no later than the 15th of the following month.

1. The traveler must indicate on the Travel Reimbursement Request Form the point of origin and destination of a travel event. One line on the Travel Reimbursement Request Form should be used for one day of a travel event. Multiple lines should be used for travel for more than one day. Each line should include the date.
2. The traveler must indicate on the Travel Reimbursement Request Form the mode of transportation for a travel event. This includes complimentary transportation or by another traveler. If transportation is complimentary, the name of the traveler providing the transportation must be included.
3. Any unusual or special circumstances that occur during a travel event must be indicated as such on the Travel Reimbursement Request Form.
4. The traveler must indicate on the face of the Travel Reimbursement Request Form the purpose or duties performed during each travel period and must attach the necessary documentation justifying the reason for travel.
5. Any break for personal reasons in a travel event while performing travel must be identified on the Travel Reimbursement Request Form. The reason for the break in a travel event must also be identified on the form and be covered by the use of either annual leave or regular comp time. The traveler will not receive reimbursement for any expenses occurring during that break in travel. However, the traveler may claim reimbursement of travel expenses during the return to official headquarters had the traveler been entitled to that reimbursement without an interruption in the travel event (69I-42.0010 (5)).

Hour of Departure and Return of a Travel Period

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The traveler must indicate on the Travel Reimbursement Request Form and on the same line as the point of origin specified, the hour of departure (specifying AM or PM) for a travel event. The traveler must also indicate on the same line as the travel destination of a travel event the hour of return (specifying AM or PM) to the official headquarters or city of residence of the traveler.

Computation of Travel Time for Reimbursement

For the purpose of calculating the per diem and subsistence allowances provided in Section 112.061 F.S., the following guidelines are prescribed:

1. Class A travel is continuous travel of 24 hours or more away from official headquarters. The travel day for Class A is based on a calendar day (midnight to midnight).
2. 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 travel begins at the same time the travel begins.
3. Class C is short or day trips which the traveler is not away from his/her official headquarters overnight.

Calculation of Per Diem and Subsistence Allowances

Allowable rates for per diem are provided for in s. 112.061, F.S. All claims for per diem and subsistence must be within the limitation set forth in this section. All travelers are allowed the authorized per diem for each type of travel or if actual expenses exceed the allowable per diem, the amount allowed for meals as provided in s. 112.061(6)B, F.S., plus actual expenses for lodging at a single occupancy rate. Per Diem shall be calculated using four six-hour periods beginning at midnight for Class A or when travel begins for Class B travel.

Travelers may only switch from actual to per diem while on Class A travel on a midnight to midnight basis. A traveler on Class A or B travel 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.

Claim of Per Diem or Actual Lodging Expenses

1. A traveler may not claim per diem or reimbursement for lodging for overnight travel within 50 miles of his/her official headquarters or residence, unless the circumstances necessitating such overnight travel are fully explained by the traveler and approved by the Coalition. Criteria for approval shall include late night or early morning job responsibilities and excessive travel time due to traffic conditions (69I-42.006(7)).
2. Class A and B travelers will receive \$80 per diem per full day of travel, or
3. Class A and B travelers will receive reimbursement of actual expenses if those expenses exceed \$80 and they are necessary and reasonable for lodging at a single occupancy rate substantiated by paid bills. In addition to receiving the reimbursement of actual lodging expenses, travelers will receive the following meal allowances according to the departure and return times. In the case where a meal is provided by a hotel or airline, the traveler will not be allowed to claim the meal allowance provided by law.

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<u>Meal</u>	<u>To Claim Meal Depart Before</u>	<u>To Claim Meal Return After</u>	<u>Allowance</u>
<u>Breakfast</u>	<u>6:00 AM</u>	<u>8:00AM</u>	<u>\$6.00</u>
<u>Lunch</u>	<u>Noon</u>	<u>2:00PM</u>	<u>\$11.00</u>
<u>Dinner</u>	<u>6:00 PM</u>	<u>8:00 PM</u>	<u>\$19.00</u>
<u>Full Day</u>	<u>6:00 AM</u>	<u>8:00 PM</u>	<u>\$36.00</u>

4. Class C travelers will receive the above meal allowances according to the departure and return times. In the case where a meal is provided the traveler will not be allowed to claim the meal allowance provided by law.
5. It is not necessary for travelers to submit meal receipts in order to claim reimbursement for meals.
6. A traveler claiming less than the full meal allowance or per diem authorized by s. 112.061(6), F.S., shall include on his/her travel voucher a statement that he/she understands he/she is entitled to the full meal allowance provided by law but has voluntarily chosen to claim a lesser amount, per 69I-42.006(4).
7. Lodging expenses will be calculated on a travel day basis beginning on the day of departure, regardless of when such expenses are actually paid. No one will be reimbursed for more than one lodging expense during any travel day.
8. Reimbursements for actual lodging expenses are limited to \$150 occupancy rate per day, excluding tax. However, in the event that a traveler must choose to stay at a hotel whose single occupancy rate exceeds \$150 and the traveler is claiming reimbursement for the full amount, the traveler must make that selection based on one of the following reasons and such reason must be stated on the face of the State Travel Reimbursement Request Form.
 - a. The traveler is attending a convention or conference located at the hotel at which the traveler is staying.
 - b. The single occupancy rate is typical of the rates of the other hotels in the area the traveler is traveling (for example, Washington, D.C., New York, NY, etc.).
 - c. The traveler must stay at the hotel selected because all other hotels in the area of travel had no vacancies. The traveler must state on the face of the Travel Reimbursement Request Form the attempts that were made to locate a hotel with vacancies in the travel area.
 - d. Class A travelers, who desire to claim reimbursement for actual expenses for some periods and per diem for other periods while on the same trip, may only change methods on a calendar (midnight to midnight) day basis.
 - e. Class B traveler will calculate their costs incurred during the travel period in determining whether they may claim the actual lodging and allowance for the meals method of reimbursement. Class B travel allows reimbursement for per-diem or actual lodging and meals, not a combination of both.
 - f. Lodging expenses shall qualify for reimbursement only if they are incurred at a duly established commercial lodging facility and are substantiated by itemized paid receipts or bills thereof.

Mileage

1. All mileage must be shown from point of origin to point of destination and return, and when possible must be computed on the basis of the Official Road Map published by the State Department of

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Transportation. Time of departure and time of return must be shown. (Driving directions and mileage from Mapquest/Google Maps are allowed)

2. When an individual is in travel status, vicinity mileage necessary for conducting official business is allowable, but must be shown as a separate item on the State Travel Reimbursement Request Form. Mileage is allowed to the airport from office or home, whichever is less, when performing authorized travel.
3. Travelers shall not be paid a mileage allowance for travel between their residence and their headquarters or regular work location. Reimbursement of any travel expense incurred in traveling from home to work or work to home is unauthorized. 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, provided that miles claimed may not exceed the miles actually driven. The traveler must start on the actual trip to claim mileage from his home. If the traveler has to go by the office then the trip will begin from the office. Example: Traveler must be at the airport at 7 a.m. The traveler's regular work hours do not start until 8 a.m. The traveler goes directly to the airport from his home. Since the traveler left home more than one hour before the regular workday was to begin, he may claim mileage from home to airport. The Coalition will reimburse the employee for authorized official travel expenses when the point of origin of travel is not the Coalition's administrative office provided that the travel distance and travel period from the point of origin to the point of destination and return are less than the constructive travel distance and travel period from the Coalition's administrative office to the point of destination and return. If the actual distance traveled and travel period are greater, then the reimbursement for travel expenses must be calculated on the basis of the constructive distance and travel period from the Coalition administrative office to the point of destination and return AGO 77-123.
4. Vicinity and map mileage will be reimbursed at a rate of \$.445 a mile. Requests for reimbursement for mileage must be submitted on the State Travel Reimbursement Request Form.

Incidental Expenses

The following information shall be provided to approving management with the traveler's reimbursement request when claiming reimbursement for incidental expenses.

1. Registration Fees and Related Charges.
 - a. Registration fees for a convention or conference which the traveler is authorized to attend are allowed. Receipts or cancelled checks for registration fees paid by the traveler are a required attachment to the corresponding Travel Reimbursement Request Form.
 - b. If meals are included in the registration fee and the traveler claims per diem, the per-diem must be reduced by the rate established for meals in s. 112.061(6), F.S., as follows: MEAL ALLOWANCES Breakfast \$ 6; Lunch \$ 11; Dinner \$19
 - c. 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.
 - d. If the traveler is claiming actual expenses rather than per diem, he or she should indicate that the meals are included in the registration fee and reflect zero (0) meal allowance claimed on the Travel Reimbursement Request Form.
 - e. Travelers may be reimbursed the actual and necessary fees for attending events, which are not included in a basic registration fee, that directly enhance the public purpose of the Coalition's

- participation in the conference. Such expenses may include, but not be limited to, banquets and other meal functions. It shall be the traveler's responsibility to substantiate that the charges are proper and necessary. If the expense is for a banquet or other meal function and the traveler is claiming per diem for the day on which the banquet or other meal function occurred, then the per diem claimed for such day must be reduced by the statutory rate established for such meal period. If the traveler is claiming the actual lodging expenses plus a meal allowance, the actual substantiated cost of the banquet or other required meal function may be allowed in lieu of the meal allowance specified in paragraph 5-4 for such meal period. The cost of such banquet or other required meal function will be reported on the travel reimbursement voucher as an "Incidental Expense" and supported by a paid receipt, together with the traveler's explanation stating why the expense was proper and necessary.
- f. If direct payment of a registration fee is made, the traveler shall indicate on the face of the State Travel Reimbursement Request Form (State of Florida Voucher for Reimbursement of Traveling Expenses) and Out of County Advance Travel Form "Registration Fee Paid Direct by Coalition" and provide a statement of benefits to the Coalition and a copy of the pages of the conference or convention agenda that itemize the registration fee.
 2. Taxi Fare. Receipts are required for fares in excess of \$25 on a per fare basis. Tips on taxi fares are allowable and cannot exceed 15% of the taxi fare.
 3. All Tolls and Ferry Fares. Receipts are required whenever the individual occurrence is in excess of \$25.
 4. Parking Fees or Storage. Receipts are required for fees in excess of \$25. Such fees are not allowed on a weekly or monthly basis for privately owned automobiles unless it can be established that such method results in savings to the Coalition.
 5. Photocopy Charges. A statement that photocopy charges were business related must be included on the Travel Reimbursement Request Form.
 6. Communication Expenses (Telephone/Telegraph). The copy of the billing statement must include the name and address for the account. A statement must be included on the Travel Reimbursement Request Form that communication expenses claimed were for official Coalition business only. This includes fax charges, personal cellular phones, and personal calling cards.
 7. Other Incidental Expenses. Other incidental travel expenses may be reimbursed upon presentation of a receipt thereof as follows:
 - a. Actual laundry, dry cleaning and pressing expenses when official travel extends beyond seven days and such expenses are necessarily incurred to complete the official business portion of the trip.
 - b. Actual passport and visa fees required for official travel.
 - c. Actual and necessary fees charged to purchase traveler's checks for official travel expenses.
 - d. Actual fee charged to exchange currency necessary to pay official travel expenses.
 - e. Actual cost of maps necessary for conducting official business.
 8. Expenses related to lost keys locked in a vehicle due to employee negligence are not reimbursable.

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9. Limousine services should not be used instead of taxis unless it can be shown it is the most economical method of travel.
10. Hotel safe charges are reimbursable by Coalition funds only if the charges are mandatory by the hotel.
11. The traveler must be responsible for finding legal parking spaces when performing work related duties. The Coalition will not pay for parking tickets.

Rules for Convention or Conference Travel

1. Purpose of Conference or Convention. Chapter 69I-42-004, F.A.C., states that no public funds shall be expended for attendance at conference or conventions unless:
 - a. The main purpose of the convention or conference is in connection with the official business of the Coalition and is directly related to its statutory duties and responsibilities.
 - b. The conference or convention will provide a direct educational benefit supporting the official duties of the employee.
 - c. The duties of the employee seeking to attend such meeting are compatible with the objectives of the particular conference or convention.
2. A traveler may be reimbursed actual and necessary fees for attending events not included in a basic registration fee that directly enhance the public purpose of the Coalition's participation in the conference. Such expenses may include, but not be limited to, banquets and other meal functions. If the traveler is claiming actual expenses rather than per diem and the meal is included in the registration fee, he or she should indicate that the meals are included in the registration fee and reflect zero meal allowance claimed on Travel Reimbursement Request Form.
3. It shall be the traveler's responsibility to substantiate via appropriate documentation that the charges were proper and necessary.
4. All travel to conferences and conventions must have prior written approval. Such written approval will be made on the Out of County Advance Travel Form. In addition to the requirements for regular travel, the following information and provisions apply to conference and convention travel:
 - a. Benefits Accrued. A statement of the benefits accruing to the Coalition (not to the traveler) by virtue of such travel must be included on Travel Reimbursement Request Form and Leave of Absence Request Form. In addition, the traveler must also specify how attendance at the convention or conference will help the traveler improve performance of his/her job responsibilities. Attendance at conventions or conferences will not be allowed for the sole purpose of enhancing the traveler's job resume or help to qualify for another job.
 - b. Justification. Justification for the particular traveler to attend the conference or convention must be included on the Advance Travel Form in the statement of benefits accruing to the Coalition. The same justification must be included for defining how attending the conference will assist the traveler in his/her job responsibilities.
 - c. Agenda. A copy of the program or agenda for the conference or convention must be attached to the Advance Travel Form. Only those pages of the program or agenda that itemize registration fees and any meals or lodging included in the registration fee are required to be attached to the Travel Reimbursement Request Form at the time the voucher is submitted for reimbursement.

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5. The direct payment of registration shall not be requested earlier than 10 workdays before the travel period is to begin unless written justification of the circumstances which necessitate an exception to this restriction is submitted to and approved by the Coalition. Criteria for approval shall include discount for earlier payment and earlier payment required for a reservation. If direct payment of a registration fee is made by the Coalition, the traveler's Travel Reimbursement Request Form shall indicate "Registration Fee Paid Directly by the Coalition" and shall provide a statement of benefits to the Coalition and a copy of the pages of the conference agenda that identify the registration fee. If meals were included in the registration the procedure would be the same as if the traveler paid the registration (section b).
6. Food purchases for a conference or convention or in connection with the rental of a meeting room for workshops or meetings are prohibited unless expressly provided by law.

Transportation Requirements

1. Route of Travel. All travel must be performed through a usually traveled route. If a person travels by an indirect route for personal convenience, any extra costs incurred will be at the traveler's expense.
2. Method of Travel. Persons authorized to approve travel must specify the most economical method of travel, e.g., privately owned vehicle, or public transportation (common carrier). The following conditions must be considered in determining the method of travel:
 - a. The nature of business;
 - b. The most efficient and economical means of travel (considering time of the traveler, cost of transportation and per diem or subsistence required); and,
 - c. The number of persons making the trip and the amount of equipment or material transported.
3. Commercial Air Travel.
 - a. All unused portions of airline tickets must be returned by the traveler, to the original purchase location for issuance of a credit card or cash refund as appropriate.
 - b. No group tickets or group charges are to be made. Each traveler must have an individual ticket.
 - c. All original receipts for employees and non-employees must be attached to the State Travel Reimbursement Request Form.
 - d. In instances where per diem or subsistence is or is not to be reimbursed and the Coalition assumes direct payment liability for the commercial air travel invoice, a Travel Reimbursement Request Form (for employees and non-employees) must be completed and submitted to the fiscal office within 10 working days following completion of the travel.
 - e. An employee using a Coalition credit card or resources to purchase airline tickets, rental cars, or any other form of transportation for personal business will be subject to disciplinary action.
 - f. An employee traveling on official business and wishing to alter travel plans for personal business or pleasure, must pay any additional cost of transportation directly to the commercial carrier at the time of purchase, and will not charge such additional transportation to the Coalition. Time taken for personal business or pleasure must be requested as employee leave prior to the trip.
 - g. Any fare discounts, promotional rebates, gift certificates, bonuses, cash rebates, or coupons for discounts on future flights, or remuneration of any type are the property of the Coalition if the travel is performed at Coalition expense. If additional costs are incurred by a traveler due to overbooking or any other action of an airline, and the Coalition pays the additional costs, either directly or indirectly, then any compensation, in whatever form, received by the traveler from the airline for the traveler's inconvenience, shall accrue to the benefit of the Coalition. If the traveler

- incurs no additional cost or the additional costs are borne by the traveler, then such compensation for the traveler's inconvenience shall accrue to the traveler (69I-42.007(4)). However, points earned for frequent flyer programs may be used for personal travel at the traveler's discretion. Promotional items may be handled in either of the following ways:
- i. As a current year refund (submit to fiscal office for appropriate action).
 - ii. Travelers may reduce their travel reimbursement by the amount received. This method may be used only when the amount received from the carrier is less than the amount the traveler is entitled to claim as reimbursement. Excess amounts must be turned in to the fiscal office.
 - iii. Penalties for cancellation of discounted airline tickets generally referred to as "nonrefundable" may be paid from Coalition funds only if the cause of cancellation is in the best interest of the Coalition. The circumstances for cancellation of discounted airline tickets must be included in detail in the voucher. If a ticket is cancelled for the convenience of the traveler the cancellation penalty may not be reimbursed from Coalition funds. Travelers should carefully evaluate the circumstances and risk of cancellation prior to the purchase of discounted tickets.
 - iv. The cost of unused nonrefundable tickets or cancellation penalties incurred is allowable only if the cause of the cancellation is in the best interest of the Coalition. Costs are also allowable if the traveler has to cancel a trip due to illness of the traveler or the death of a member of the traveler's immediate family, for which an employee is authorized to use sick or administrative leave. For non-employees, the cost of nonrefundable tickets or cancellation penalties may be paid in circumstances which the traveler would have been authorized to use sick or administrative leave if they had been a Coalition employee (69I-42.007(5)).
 - v. Vouchers submitted for payment of unused nonrefundable tickets, cancellation penalties or exchange penalties must include documentation indicating that the costs were necessarily incurred in conducting Coalition business or the costs were incurred because of the illness of the traveler or the illness or death of a member of the traveler's family. Documentation verifying that the unused ticket has been submitted to the Coalition must also be included in the voucher requesting payment.
 - h. If a traveler incurs any additional costs due to overbooking by an airline or other common carrier and the traveler chooses to have the cost paid directly or indirectly by the Coalition, then any compensation received by the traveler for his/her inconvenience shall accrue to the benefit of the Coalition. In determining if additional costs are incurred in such situation, the compensation to the traveler and travel costs (per diem, lodging, etc.) must be considered. If there are no additional costs to the traveler, then any compensation for the traveler's inconvenience shall accrue to the traveler. In the case where the traveler is allowed to select the form of compensation, his/her decision shall be based on the best interest of the Coalition.
 - i. Travel reimbursement vouchers (Travel Reimbursement Request Form) for common carrier must be submitted to the traveler's fiscal office within 10 working days following completion of a travel event.
4. Private Vehicle. The use of privately-owned vehicles for official travel is authorized by the Coalition.
- a. Reimbursement for travel performed will be at a mileage allowance of \$.445 per mile. Reimbursement for expenditures related to the operation, maintenance, and ownership of a vehicle will not be allowed. When a private vehicle is used and an accident occurs, the individual's insurance will be responsible for all damages.

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- b. When travel by public (common carrier) transportation has been designated by the approving authority as the most economical, the traveler, for good reason, may request authorization to travel by privately owned vehicle. If approved, reimbursement will be for only the amount that would have been expended for the public transportation designated.
 - c. Two-wheeled vehicles may not be used for travel in an official capacity unless prior approval is obtained in writing from the Coalition.
5. Rental Cars.
- a. Arrangements for rental cars must be made in advance by the traveler. Rental cars are to be used only for official Coalition business. The traveler must use his/her business address (not personal address) on the rental car agreement when the Coalition assumes direct payment liability.
 - b. The original copy of the rental car agreement plus the rental receipt must be attached to the Travel Reimbursement Request Form.
 - c. If the Coalition assumes direct payment liability for the rental car invoice, a Travel Reimbursement Request Form (for employees and non-employees) must be completed and submitted to the fiscal office within 10 working days following completion of the travel, even if no travel costs are claimed for reimbursement.

Travelers Gratuitously Transported. Mileage or transportation expenses allowed or allowable are intended to reimburse travelers for expenses incurred in the conduction of official business. Therefore, 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. The Travel Reimbursement Request Form of the traveler being transported shall indicate "complimentary travel"

FILING OF GOVERNMENT RETURNS

It is the policy of the Coalition to become familiar with the obligations in each jurisdiction and to comply with all known filing requirements. The Finance Director shall be responsible for identifying all filing requirements and assuring that the Coalition is in compliance with all such requirements. It is also the policy of the Coalition to file complete and accurate returns with all authorities. The Coalition shall make all efforts to avoid filing misleading, inaccurate or incomplete returns. Filings made by the Coalition include, but are not limited to, the following returns: Form 990, Form 990T, 1099's. Filings made by the payroll company on behalf of the Coalition include, but are not limited to, to the following returns: W-2's, Form 941 and UTC-6.

PROCUREMENT UNDER STATE AND FEDERAL AWARDS

ACCOUNTS RECEIVABLE MANAGEMENT

On a monthly basis, a detailed accounts receivable report (showing aged, outstanding invoices by customer) is generated and reconciled to the general ledger by the finance department. All differences are immediately investigated and resolved, and the reconciliation is reviewed by the Finance Director or designee.

DELINQUENT ACCOUNTS

An early learning provider that receives reimbursement for school readiness and voluntary pre-kindergarten services may be obligated to repay the funds in full or in part for various reasons, including, but not limited to:

1. Overpayment
2. Improper payment
3. Disallowed payment as a result of an audit
4. Reconciliation of a prepayment for the VPK program which results in a deficit at the end of a fiscal year

When an early learning provider's account with the Coalition becomes delinquent the Finance Director or designee must exercise and document due diligence in securing full payment by substantially performing the collection efforts outlined in the internal procedures.

1. Request for Payment: The Finance Director or designee must request the early learning provider in writing to repay the funds, specifying the amount the early learning provider owes, the reason the early learning provider is obligated to repay the funds, and the date by which the early learning provider is requested to repay the funds.
2. First Demand for Payment: The Finance Director or designee, within 10 calendar days after the date the early learning provider's account becomes delinquent, issues the early learning provider a demand letter by certified mail, return receipt requested. A first demand letter includes the following:
 - a. Full amount that the early learning provider owes
 - b. Reason the early learning provider's account is delinquent
 - c. Demand for immediate repayment of the full amount by a date within 30 calendar days after issuance of the demand letter
 - d. The early learning provider's right to dispute the delinquent account by submitting a written dispute to the Coalition before the date that the letter specifies; and
 - e. A description of the collection efforts that the Finance Manager may use if the early learning provider fails to repay the delinquent account.
3. A Second Demand Letter for Repayment: The Finance Director or designee, within 10 calendar days after the early learning provider fails to repay a delinquent account in full by the date required in the first demand letter, issues the early learning provider a second and final demand letter by certified mail, return receipt requested. A second demand letter includes the following:
 - a. Full amount that the early learning provider owes
 - b. Reason that the early learning provider's account is delinquent
 - c. Demand for immediate repayment of the full amount by a date within 10 calendar days after issuance of the second demand letter

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- d. The early learning provider's right to dispute the delinquent account by submitting a written dispute to the Coalition before the date specified in the first demand letter, if the date is not expired
 - e. Notice that the early learning provider may not receive further state or federal funds from the Coalition until the early learning provider repays the delinquent account in full; and
 - f. Notice that the Coalition may report a delinquent account for collection by the Office of Early Learning if the early learning provider fails to repay the account in full by the date required in the second demand letter
4. Repayment Schedule: The Finance Director or designee may negotiate a repayment schedule that allows the early learning provider to submit partial repayments. The Finance Director or designee must require the early learning provider to repay to entire amount within six (6) month of the date specified in the request for payment.
 5. Offsetting Payment: The Finance Director or designee may offset, in full or in part, an amount that the early learning providers owes for one early learning program with state or federal funds due from the Coalition to the early learning provider for another early learning program. The Finance Director or designee must accurately enter the offsetting state or federal funds across programs.
 6. The transaction in the Coalition's accounting records must clearly identify the repayment from the early learning provider to the program that the early learning provider owes and payment to the early learning provider from funds due to the early learning provider for the other program.
 7. The Finance Director or designee may offset an amount that an early learning provider owes the Coalition from funds for one fiscal year with funds due from the Coalition to the early learning provider for a subsequent fiscal year. The Coalition must accurately enter the offsetting funds across fiscal years.
 8. The transaction in the Coalition's accounting records must clearly identify the repayment from the early learning provider for the fiscal year that the early learning provider owes and payment to the early learning provider for the subsequent fiscal year from which payment is due from the Coalition to the early learning provider.
 9. The Coalition may continue to offset state or federal funds across early learning programs or fiscal years to secure full payment of the debt after the debt becomes a delinquent account.

The Finance Director or designee may report a delinquent account to Office of Early Learning (OEL) if:

1. The Finance Director's efforts to collect the delinquent account do not result in repayment in full; and

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2. The early learning provider does not have a continuing contractual relationship with the Coalition which is anticipated to result in funds available for offset.

To report a delinquent account for collection by OEL, the Finance Director or designee must submit its request in writing and follow the internal procedures as outlined.

1. OEL may deny the Finance Director's request to report a delinquent account if the Finance Director or designee does not submit documentation of due diligence in securing the full payment by substantially performing the collection efforts described in the Delinquent Account procedure. OEL may also deny a request if the request does not contain the following information:
 - a. The early learning provider's name, address, and federal employer identification number or social security number, as applicable;
 - b. The full amount that the early learning provider owes;
 - b. If the early learning provider repays part of the debt, the amounts collected and uncollected;
 - c. The underlying agreement between the Coalition and the early learning provider;
 - d. The date that the early learning provider's account becomes delinquent;
 - e. The Finance Director's or designee's efforts to collect the delinquent account and the dates of the collection efforts;
 - f. Copies of the demand letters that the Finance Director or Designee issued to the early learning provider; and
 - g. If the early learning provider disputed the delinquent account, the documentation of the dispute-resolution process and result of the dispute.
2. If the Finance Director's or designee's report of a delinquent account for collection does not include the required information, OEL may return the request to the Coalition. If the Finance Director or designee does not resubmit the request with the required information within 45 calendar days after the OEL returns the request the OEL may deny the request. If the OEL denies the Finance Director or designee report of a delinquent account for collection by OEL, the OEL may return the delinquent account to the Coalition and deduct the amount that the early learning provider owes from state or federal funds due to the Coalition from to the OEL.

ANNUAL SINGLE AUDIT

The purpose of this plan is to establish a program of audit of the Coalition. The plan shall comply with the requirements of the State of Florida and OMB Uniform Guidance, Subpart F and the Coalition's funding agency's Audit and Audit Resolution guidance.

The Coalition shall have a Single Audit conducted in accordance with OMB Uniform Guidance, Subpart F applicable regulations, State laws, and OEL Policies. The audit will be performed by an independent auditor in accordance with government auditing standards (GAS) and generally accepted accounting principles

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(GAAP) in the United States of America covering financial and compliance audits. The audit will be conducted annually.

The Finance Director shall submit an audit plan to the funding agency/agencies in accordance with state and federal requirements annually.

The Coalition may contract on a three (3) year basis for the services of an independent certified public accounting firm. Audit services are obtained through the same procurement procedures as are other services required by the Coalition. The procedures comply with OMB Uniform Guidance, Subpart D. Factors considered in awarding the audit contract include responsiveness to the request for proposal, relevant experience, availability of staff with professional qualifications and technical abilities, the results of external quality control reviews and price.

The Coalition will prepare and furnish the following to the auditors at the time of examination of Coalition books:

1. All financial records, cash receipts and disbursement journals, general ledgers, general journals, supporting documents, and any other related records.
2. Copies of:
 - (a) 501 (c) (3) Charter and Bylaws
 - (b) Minutes of Coalition Meetings
 - (c) Personnel Policies
 - (d) Grant Agreements
 - (e) Leases
 - (f) Contracts
 - (g) Budgets
 - (h) Any information concerning equipment purchases and disposition
 - (i) Other pertinent documents or data regarding the individual grants.
3. Provide adequate working space and other facilities for the performance of the audit whenever possible.
4. Assistance of Coalition personnel as desired and necessary.

STANDARDS FOR FINANCIAL MANAGEMENT SYSTEMS

In accordance with OMB Super Circular Subpart D, it is the policy of the Coalition to maintain a financial management system that provides for the following:

1. Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements of OMB Uniform Guidance Subpart D and/or the award.

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2. Records that identify adequately the source and application of funds for federally-sponsored activities. These records shall contain information pertaining to federal awards, authorizations, obligations, un-obligated balances, assets, outlays, income and interest.
3. Effective control over and accountability for all funds, property and other assets. The Coalition shall adequately safeguard all such assets and assure they are used solely for authorized purposes.
4. Comparison of expenditures with budget amounts for each award.
5. Written procedures to minimize the time elapsing between the transfer of funds to the Coalition from the State of Florida Department of Financial Services and the issuance or redemption of checks, warrants or payments by other means for program purposes by the recipient.
6. Written procedures for determining the reasonableness, allocability and allowability of costs in accordance with the provisions of the applicable federal cost principles and the terms and conditions of the award.
7. Financial records including cost accounting records that are supported by source documentation.

CLOSE OUT OF FEDERAL AWARD

The Coalition shall follow the close out procedures described in OMB Uniform Guidance Subpart D and in the grant agreements as specified by the granting agency. In addition and more specifically, the Finance Director or designee shall follow the Closing Out of Federal Award as outline in the Internal Procedure Manual.

INSURANCE

The Coalition shall provide adequate liability insurance coverage on a comprehensive basis and shall hold such liability insurance at all times during the Coalition's existence, as required by law. The Coalition shall from time-to-time, determine what constitutes "adequate" coverage. The Coalition accepts full responsibility for securing insurance coverage as follows:

1. General liability and Property coverage
2. Directors and Officers and Employment Practices Liability coverage
3. Fidelity Bonding of Fiscal Personnel
4. Worker's Compensation