



The Children's Services Council of Palm Beach County (CSC) is pleased to provide the Revised Fiscal Year 2019-2020 *Fiscal Guidelines for CSC Funded Programs* (Fiscal Guidelines). **The effective date of these Fiscal Guidelines is October 1, 2019.**

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

The following substantive changes were made since the release of the 2018-2019 Fiscal Guidelines in October 2018:

REVISIONS

- 1) Page #21, Travel – The per diem rate for meals will be the IRS standard "M&IE" rate for all locations within the continental United States, without taking into account specific higher-cost locations (as set forth in IRS Publication 1542 or its successor).

CSC acknowledges 2019-2020 budgets were approved with narratives and allocations based on the previous maximum reimbursable IRS rate of \$51 total for meals.

In accordance with the Fiscal Guidelines, CSC's maximum reimbursable rate to providers for meals increases to a total \$55, effective October 1, 2019 to align with the current IRS rate. The following apportionment methodology applies: \$11 for breakfast, \$16 for lunch, and \$28 for dinner. Allocations will not be increased to accommodate the additional \$4 per day.

Providers are advised to include a note(s) in the reimbursement request(s) and/or send email correspondence if the rate requested for reimbursement differs from what is in the narrative.

- 2) Page #11, Cost Reimbursement Contracts – Added cross-reference to Page 20, *Pre-Paid Expenses*.
- 3) Page #11, Payment Frequency – Clarified that the payment of CSC funds will occur pursuant to the terms of the contract and not necessarily on a monthly basis.
- 4) Page #12, Disallowable Expenditures – Added guidance that where applicable, these generally non-reimbursable expenses may not be applied to private, for-profit provider entities.
- 5) Page #12, Materiality of Disallowances – New sub-section explaining disallowances as the result of a CSC audit. The focus is not on whether the disallowed amount is material, but rather the absence of financial controls that allowed the unapproved expense to be sought for reimbursement.
- 6) Page #17 Separation Costs – The Severance Payout and/or Vacation/Sick Payout template is now available via the SAMIS website dashboard.

- 7) Page #17, Severance Pay – Includes a reference to the Fair Labor Standards Act (FLSA) and clarifies that the Provider’s existing severance policy must be approved by its Board of Directors.
- 8) Page #20, Operating Expenses- Added opening paragraph providing guidance on overspending allowances for cost categories and line items other than those related to salaries and fringe benefits.
- 9) Page #20, Pre-paid Expenses – Clarified and added guidance related to other examples of pre-paid expenses.
- 10) Page #23, Capital – CSC does not fund the purchase of vehicles or security equipment.
- 11) Page #25, Changes to the Contract Budget, 2nd paragraph – Added cross-reference to Page 19, *Operating Expenses*.
- 12) Page #27, Late Submission of Documentation, 1st bullet – Added cross-reference to Page 11, *Late Submissions Policy Governing Request for Reimbursement*.
- 13) Page #27, Late Submission of Documentation, 2nd bullet – Expanded the requirements of a “complete” submission of the annual independent audit to include *The Auditor’s Communication with Those Charged with Governance* in addition to the Management Letter.
- 14) Page #28, Requests for Extensions, Independent Audits – The *Request for Extension to Submit Audit Report* form (revised) is now available via the SAMIS website dashboard. Additionally, the due date to submit the form is revised to at least one business day before the independent audit is due.
- 15) The Request for Extension to Submit Audit Report form referenced in item #13 is revised to state 45 days is the total days allowed for an extension from the original due date, regardless of the number of extensions requested.
- 16) Page #28, Request for Extensions, Time for Extensions – New Sub-section.
- 17) Page #29, Disposal of Vehicles – Deleted section. CSC no longer funds vehicles.
- 18) Page #29, Cash Flow Shortage Notification – Notification to CSC is revised to two (2) business days.
- 19) Pages 29-30, Conditions to be Observed Throughout the Contract - Added three new sub-sections: Notification of Compromised Computer Systems, Notification of a Change in the Provider’s Fiscal Year and Provider Staff Screening (Providers are subject to a one-time \$1,000 charge if a “screening trigger event” is committed).

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

[To facilitate its use, these Fiscal Guidelines are located on the CSC Website at http://providers.cscpbcc.org/csc-fiscal-guidelines](http://providers.cscpbcc.org/csc-fiscal-guidelines) and [you may also find the Fiscal Guidelines via the SAMIS information icon on the SAMIS dashboard at https://palmbeach.samis.io](https://palmbeach.samis.io).

Copies of the Fiscal Guidelines may also be obtained by contacting your Children's Services Council Budget Specialist at (561) 740-7000.

Sincerely,

Debra Heim
Chief Financial Officer



**Fiscal Guidelines
For
CSC Funded Programs**

FY 2019/2020

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Quick Reference Guide

Topic	Where to Find in Guidelines?	Other Resources
Advanced Funding	Page 10, General Guidelines, Use of SAMIS for Fiscal Data Submission	SAMIS Information Icon on SAMIS Dashboard, SAMIS User Manual; Budget Specialist if program is not in SAMIS
	Page 13, General Guidelines, Advanced Funding	SAMIS Information Icon on SAMIS Dashboard, SAMIS User Manual; Budget Specialist if program is not in SAMIS
Annual Costs (Insurance and Independent Audit)	Page 21, Specific Guidelines, Operating Expenses, Pre-Paid Expenses, Insurance and Independent Audit	Budget Specialist at 561-740-7000
Bonuses (Non-reimbursable)	Page 16, Specific Guidelines, Personnel, Bonuses	Budget Specialist at 561-740-7000
Budget Revisions (including <i>When is a Budget Revision Required?</i>)	Page 25, Specific Guidelines, Changes to the Contract Budget	Budget Specialist and/or Program Officer at 561-740-7000
Capital	Page 23, Specific Guidelines, Capital	Budget Specialist at 561-740-7000
Cash Flow Shortage Notification	Page 29, Specific Guidelines, Conditions to be Observed throughout the Contract, Cash Flow Shortage Notification	Contact CSC
Continuous Improvement Initiative	Page 23, Specific Guidelines, Capital	CSC Website at www.cscpb.org
Credit Card Purchases and Receipts	Page 23, Specific Guidelines, Credit Card Use	Budget Specialist at 561-740-7000
CSC Lead Agency Administrative Guide	Page 9, Introduction	http://providers.cscpb.org/lead-agency-administrative-guide
Disallowable Expenditures	Page 12, General Guidelines, Provider Expenditures, Cost Reimbursement Contracts, Disallowable Expenditures	Budget Specialist at 561-740-7000
Final Reimbursement Request	Page 14, General Guidelines, Renewed Contracts or Terminated/Non-Renewed Contracts	Budget Specialist at 561-740-7000
Fiscal Guidelines	Page 9, Introduction	http://providers.cscpb.org/csc-fiscal-guidelines
		SAMIS Information Icon on SAMIS Dashboard, <i>Fiscal Guidelines</i>
		Budget Specialist at 561-740-7000
Fringe Benefits	Page 19, Specific Guidelines, Personnel, Fringe Benefits	Budget Specialist at 561-740-7000

Fiscal Guidelines for CSC Funded Programs

Topic	Where to Find in Guidelines?	Other Resources
Fringe Benefits (cont'd)	Page 19, Specific Guidelines, Personnel, Personnel Cost Category	Budget Specialist at 561-740-7000
General Conditions	Page 9, Introduction	Contract Exhibit A by Reference - Check your current year contract for applicability
Indirect Cost Allocation	Page 22, Specific Guidelines, Operating Expenses, Indirect Cost Allocation	<i>Indirect Cost Worksheet</i> ; SAMIS Information Icon on SAMIS Dashboard, <i>Fiscal Reference Files</i> , Budget Specialist at 561-740-7000
Late Charges (Non-Reimbursable)	Page 28, Specific Guidelines, Late Submissions of Documentation, Late Charges	Program Officer or Budget Specialist at 561-740-7000
Late Submissions	Page 26, Specific Guidelines, Late Submissions of Documentation	Program Officer or Budget Specialist at 561-740-7000
a. Late Submissions of Documentation (certain copies of documentation to be retained on file by CSC and/or any other entities identified in the CSC contract, as applicable.)	Page 26, Specific Guidelines, Late Submissions of Documentation	Budget Specialist at 561-740-7000
b. Late Submissions Policy Governing Request for Reimbursement	Page 13, General Guidelines, Late Submissions Policy Governing Request for Reimbursement	Budget Specialist at 561-740-7000
Lump Sum Payments (Salary)	Page 15, Specific Guidelines, Personnel, Salaries, Salary Increases	Budget Specialist at 561-740-7000
	Page 16, Specific Guidelines, Personnel, Salaries, Lump Sum Payments	Budget Specialist at 561-740-7000
Mileage	Page 22, Specific Guidelines, Operating Expenses, Travel, Mileage	Budget Specialist at 561-740-7000
Minimum Fiscal Requirements for Funded Programs	Page 30, Specific Guidelines, Minimum Fiscal Requirements for Funded Programs	Budget Specialist at 561-740-7000
Notification of Compromised Computer Systems	Page 29, Specific Guidelines, Conditions to be Observed Throughout the Contract	Program Officer or Budget Specialist at 561-740-7000
Notification of Excess Revenue	Page 29, Specific Guidelines, Conditions to be Observed Throughout the Contract	Program Officer or Budget Specialist at 561-740-7000
Overspending Operating Expenses by Cost Category and/or Line Item	Page 20, Specific Guidelines, Operating Expenses (Opening Paragraph)	Budget Specialist at 561-740-7000

Fiscal Guidelines for CSC Funded Programs

Topic	Where to Find in Guidelines?	Other Resources
Overspending Operating Expenses by Cost Category and/or Line Item <i>(cont.)</i>	Page 25, Specific Guidelines, Changes to the Contract Budget	Budget Specialist at 561-740-7000
Overspending the Personnel Cost Category	Page 19, Specific Guidelines, Personnel Cost Category	Budget Specialist at 561-740-7000
	Page 25, Specific Guidelines, Changes to the Contract Budget	Budget Specialist at 561-740-7000
Pre-Paid Conferences	Page 21, Specific Guidelines, Operating Expenses, Pre-Paid Expenses, Conference/Registration/Travel	Budget Specialist at 561-740-7000
Pre-Paid Expenses	Page 20, Specific Guidelines, Operating Expenses, Pre-paid Expenses	Budget Specialist at 561-740-7000
Provider Staff Screening <i>(Screening Trigger Event)</i>	Page 30, Specific Guidelines, Conditions to be Observed Throughout the Contract	Program Officer or Budget Specialist at 561-740-7000
Requests for Extensions	Page 28, Specific Guidelines, Late Submissions of Documentation, Requests for Extensions	Program Officer or Budget Specialist at 561-740-7000
a. Requests for Reimbursement	Page 28, Specific Guidelines, Late Submissions of Documentation, Requests for Extensions, Reimbursement Requests	Budget Specialist at 561-740-7000
b. Independent Audits	Page 28, Specific Guidelines, Late Submissions of Documentation, Requests for Extensions	Request Audit Extension Form from Budget Specialist at 561-740-7000
c. Other Certification Documents	Page 28, Specific Guidelines, Late Submissions of Documentation, Requests for Extensions	Contact Program Officer by email or at 561-740-7000
d. Time for Extensions	Page 28, Specific Guidelines, Late Submissions of Documentation, Requests for Extensions	Program Officer and/or Budget Specialist at 561-740-7000
Requests for IT Equipment	Page 23, Specific Guidelines, Operating Expenses, Capital	Budget Specialist at 561-740-7000
Salary Accruals	Page 15, Specific Guidelines, Personnel, Salary Accruals	Budget Specialist at 561-740-7000
SAMIS Helpdesk	Page 10, General Guidelines, Use of SAMIS for Fiscal Data Submission	SAMIS Help Desk 561-740-7000
Severance Pay	Page 17, Specific Guidelines, Personnel, Separation Costs, Severance Pay	Download <i>Severance Reimbursement Calculation</i> Form via Fiscal Reference Files link on SAMIS website or request from Budget Specialist at 561-740-7000
Stale-dated Checks	Page 24, Specific Guidelines, Stale-dated Checks	Budget Specialist at 561-740-7000

Fiscal Guidelines for CSC Funded Programs

Topic	Where to Find in Guidelines?	Other Resources
Supporting Documentation	Page 12, General Guidelines, Provider Expenditures, Cost Reimbursement Contracts, Disallowable Expenditures	Budget Specialist at 561-740-7000
	Page 24, Specific Guidelines, Supporting Documentation	Budget Specialist at 561-740-7000
Temporary Employees	Page 17, Specific Guidelines, Personnel, Temporary Employees	Budget Specialist at 561-740-7000
Unit Cost Contracts	Page 12, General Guidelines, Provider Expenditures, Unit Cost Contracts	Budget Specialist at 561-740-7000
Vacation and Sick Pay	Page 18, Specific Guidelines, Personnel, Separation Costs, Accrued Vacation and Sick Pay	Download <i>Accrued Vacation/Sick Reimbursement Calculation</i> Form via Fiscal Reference Files link on SAMIS website or request from Budget Specialist at 561-740-7000

Introduction

The Children's Services Council of Palm Beach County (CSC) is pleased to provide the Fiscal Guidelines for CSC Funded Programs (Fiscal Guidelines) revised for Fiscal Year 2019-2020. The effective date of these Fiscal Guidelines is October 1, 2019.

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

CSC requires Providers who subcontract service delivery to incorporate these Fiscal Guidelines into their subcontractor agreements. [See the CSC Lead Agency Administrative Guide \(http://providers.cscpbcc.org/lead-agency-administrative-guide\)](http://providers.cscpbcc.org/lead-agency-administrative-guide) for further instructions.

To facilitate its use, [these Fiscal Guidelines are located on the CSC website at http://providers.cscpbcc.org/csc-fiscal-guidelines](http://providers.cscpbcc.org/csc-fiscal-guidelines) and via the SAMIS information icon on the SAMIS dashboard. Copies of the Fiscal Guidelines may also be obtained by contacting your Children's Services Council Budget Specialist at (561) 740-7000.

Goals of the Fiscal Guidelines

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

Please be advised that the Guidelines are written primarily for cost reimbursement contracts. Common sense and ethical judgment must be applied in the interpretation and application of these Fiscal Guidelines as it is not the intent that the Fiscal Guidelines will address every fiscal scenario.

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

General Guidelines

Seeking CSC Budget Specialist Advice – Technical Assistance

CSC Budget Specialists' advice should be solicited throughout the budget period regarding allowable CSC budget items and expenditures. When a Request for Proposal (RFP) process is underway, restrictions may apply. For example, answers to Provider questions regarding the RFP generally are posted on CSC's website so that all respondents have access to the questions and answers, and the RFP names the single point of contact for CSC (via email).

Use of SAMIS for Fiscal Data Submission

[SAMIS \(Services Activities Management Information System\)](https://palmbeach.samis.io) at <https://palmbeach.samis.io> is the web-based reporting system developed to increase the efficiency of program related and financial data between CSC and its funded Providers. All funded Providers are to use the SAMIS system unless authorized to use an alternative method of reporting.

Program budgets and any subsequent amendments are to be submitted to CSC in SAMIS, and are to be balanced. Therefore, total CSC budgeted program expenses are equal to the total CSC program allocations. All expenses are to be billed to CSC using the SAMIS system, unless specifically authorized to use an alternative method of reporting, in the budget period in which the expense and/or event occurs. Whenever there is a request for reimbursement of an unusual or infrequent nature, add an explanatory note in the SAMIS reimbursement narrative for further clarification.

Advance requests are to be submitted to CSC in SAMIS, unless specifically authorized to use an alternative method (see *Advanced Funding* on page 13).

The Provider can reference the SAMIS Manual via the SAMIS information icon on the SAMIS Dashboard.

SAMIS Help Desk: CSC has a full-time staff member available. Call (561) 740-7000.

Budgets

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

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

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

Budget Line Item/Cost Category Overages

Programs have the ability to overspend a cost category by a specific percentage depending on the category as described in the Specific Guidelines below (see *Changes to the Contract Budget* on Page 25) without prior authorization from CSC as long as the budget total remains the same and the line item(s) causing the over expenditure have been identified in the contract budget. These over expenditures must be documented in the narrative section of each applicable month's reimbursement request to create an audit trail.

Approved Budget Revisions

Any budget changes must be submitted and approved by CSC through SAMIS or an authorized alternative method before the change takes effect.

Provider Expenditures (Reimbursements, Disallowances, Unit Costs)

Reimbursements

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

Cost Reimbursement Contracts

CSC will reimburse the Provider up to the contracted budget amount based upon the approved budget. CSC reimburses based on actual program related expenditures. Expenditures unrelated to program services, or found to be in excess of the contract budget will not be approved for reimbursement by CSC.

Expenditures must be requested for reimbursement in the budget period in which the expense is incurred except for those expenses identified to be pre-paid as set forth in the Specific Guidelines section on Page 20, *Pre-paid Expenses*. Otherwise, expenses that cross CSC budget periods must be prorated.

Payment Frequency

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

Due Date

The Provider requests reimbursement through submission of a monthly invoice by the 10th of each month, unless another date is set forth in the program's contract, following that for which expenditures are claimed. In general, except for specific line items, monthly reimbursement requests should total approximately 1/12 of the annual contract amount for the CSC program. Whenever there is a request for reimbursement of a greater than usual monthly expense, an explanatory note in the SAMIS reimbursement narrative is required.

Disallowable Expenditures

CSC reserves the right to disallow **any** expenditure (regardless of dollar value) that is considered inappropriate for the program it funds even if it falls within the expenditure limitations placed on the cost categories. CSC generally will not fund or reimburse the following:

- The **purchase of real property** and/or renovations (permanent improvements to the property or site preparations).
- **Medical** equipment, services or treatment.
- **Mortgage** payments, interest payments, financing agreements or long-term vehicle leases.
- Staff **entertainment** expenses.
- **Alcoholic** beverages.
- Late **fees** or financing fees (for example: credit card late fees, late fees from lease agreements or on a standard bill).
- **Florida state sales tax** on purchases made.
- Expenses incurred outside of the budget period for reimbursement (including costs relative to implementation of new programming).
- **Bonuses** to staff employed in its funded programs.
- Accrued vacation, sick time payouts, and payment of wages in lieu of notice **except upon separation from employment** as provided for in the personnel policies and procedures of the program.

These generally non-reimbursable expenses, where applicable, may not be applied to private, for-profit provider entities. CSC reserves the right to disallow costs (regardless of dollar value) for which the agency cannot provide appropriate supporting documentation. (See *Supporting Documentation* on page 24).

Materiality of Disallowances

The following addresses disallowing expenses incurred and reimbursed during the course of contract performance. Disallowances assigned as the result of a CSC audit do not consider the material value of the amount disallowed, but rather focuses on the absence of financial controls that allowed the unapproved expense sought for reimbursement.

Unit Cost Contracts

CSC will reimburse the Provider based on the actual number of units provided up to the capacity limits for the program, as defined in the contract. Providers will be required to adhere to the specific Unit Cost terms

or requirements as defined by their approved budgets, and contained within their CSC contract. Providers must maintain documentation that supports the unit(s) of service provided.

Late Submissions Policy Governing Request for Reimbursement

The following CSC policy will apply concerning requests for reimbursement:

Reimbursement requests are due the 10th of each month unless another date is set forth in the program's contract. A third late request for reimbursement within a rolling 12-month period will be assessed a \$500 late charge. Note that the rolling 12-month period may cross fiscal years. This late charge shall be deducted by the CSC Budget Specialist from the reimbursement request. The CSC Program Officer will notify the program's Executive Director/CEO and Board Chair in writing that the late charge is being deducted from the reimbursement. CSC's Council will be advised of such late charges applied in the form of an "FYI" agenda item.

In the event of a fourth late invoice submission in a rolling 12-month period with a late charge, in addition to another \$500 late charge, CSC staff will, with the Provider, develop a "Progressive Intervention Plan" or "Corrective Action Plan" [with varying levels] which will also be presented to Council as an "FYI" agenda item. In the event that the plan for the action steps is not satisfactorily completed, the program will come before the Council for further action under a "Progressive Intervention Plan".

Advanced Funding

Providers may submit an advance request in SAMIS for up to 45 days of personnel costs only after execution of a signed agreement and full repayment of previously issued advances. An amount greater than 45 days may be approved at the sole discretion of CSC's Chief Financial Officer or Director of Program Budget. If the contracted agency is considered a lead agency that operates a program with subcontractors or if the budget methodology is based on unit cost of service or slots, the Provider may request up to 10% of the total budget only after execution of a signed agreement and full repayment of previously issued advances. All advances may be repaid at any point during the contract period, but must be repaid within the last three months of the contract period. Providers whose program(s) is not in SAMIS may request an electronic version of the Advance Funds Request Form from your Budget Specialist.

A request for advanced funding at a time other than at the beginning of the contract may be considered if extenuating circumstances exist, and must be submitted with a written hardship request to the Budget Specialist. The request must be made prior to the final three months of the contract period. Any request for advance funding must be accompanied by the most recent quarterly income statement, balance sheet, and statement of cash flows for the requesting agency, as was submitted to its Board of Directors (BOD).

Accelerated Draw Down of Funds

The accelerated drawdown of CSC funds to accommodate the timing of an agency's contribution to the program may be approved. However, if under expenditures occur related to the purpose of the accelerated drawdown, an adjustment to future reimbursements must be made within the same budget period. CSC does not allow accelerated drawdown of funds to accommodate:

- Unplanned salary increases.
- Loss of other or supplemental program funding.

Funds Raised as a Result of CSC Funds

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

Final Reimbursement Request

Renewed Contracts

Programs are expected to submit in SAMIS, no later than 30 calendar days after the contract ends, a final expenditure report, including all billable items related to the contract. Expenses not reported in the final reimbursement request will not be reimbursed by CSC.

Terminated /Non-Renewed Contracts

If a contract is terminated or not renewed regardless of the reason, a CSC contract close-out audit must be conducted prior to the final reimbursement request being paid. Any disallowance assessed as a result of the close-out audit will be deducted from the final reimbursement. In cases where the Provider operates other CSC funded programs (contracts), the close-out audit may be postponed and the final reimbursement payment released. In these specific instances, a program (contract) close-out audit will be included in the broader audit to include the Provider's other CSC funded program(s) at the scheduled time in the future. Any disallowed expense in the closed program that is identified at the time the audit of all CSC funded programs is conducted, will be collected by Provider check or deducted from one of the Provider's other existing program's subsequent reimbursement.

Specific Guidelines

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

Personnel

Salaries

Salaries represent a critical and substantial portion of the program budgets funded by CSC. CSC expects the program to be able to demonstrate that the percentage of a salary that CSC supports corresponds to the amount of time dedicated by the employee to the CSC program or the portion of the CSC program funded over the course of a budget period. For that reason, salary changes require consultation with CSC staff prior to submitting a budget revision for approval (see *Personnel Cost Category* on page 19). Failure to do so may result in a disallowance even if there are dollars remaining in the budget.

Salary Pay Period

Salary pay periods may be weekly, bi-weekly, semi-monthly, or monthly. Supporting documentation must be maintained which includes but is not limited to a payroll register, an employee listing by position, an employee listing by start date and the number of eligible pay periods for each position being funded by CSC.

Salary Accruals

Salary cannot cross CSC's contract periods, and WILL require the agency to accrue the final payroll (or portion of days crossing the contract period) during the last month of the contract period, where applicable.

Billable Staff Positions

All billable positions and the name associated with the position must be entered into the SAMIS Position Management Module (PMM). The PMM must be updated throughout the budget period in a timely manner. Positions not identified in the CSC contracted budget are not to be charged to CSC. Providers may be required to provide the salary ranges for their various classes of employees and documentation that the payment was made in accordance with this policy.

Salary Increases

Pre-planned salary increases for CSC-funded positions must be reflected in the salary for each position that is included in the approved CSC line item budget. The increase, inclusive of any appropriate lump sum payments (see *Lump Sum Payments* on page 16), must not cause the actual gross salary for the position to exceed the approved budget for the position by more than 5% of the approved budget for the position.

Lump Sum Payments

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

- The employee's salary will be enhanced by the amount of the increase that brings the annual salary to the top of the agency's range for the position. This gross salary will become the new annual salary for the position and the revised salary will be distributed through the agency's regular payroll cycles.
- The amount by which the gross salary increase causes the salary to exceed the agency's range for the position may be disbursed in a lump sum payment to the employee.
- CSC will reimburse its allocable share of the lump sum payment for the position according to the contract only if the provider has an existing agency-wide, board-approved policy regarding lump sum payments of this type. CSC strongly recommends a lump sum payment methodology whereby providers pay the lump sum in increments following the review period. For example, the lump sum paid at the end of every six months – after awarding the increase, (ex. March 30 for an October 1 gross salary lump sum award to incentivize staff to stay and then on September 30, release the second half of the gross salary award). In other words, the staff forgo the lump sum if they leave the agency prior to the last day of any six-month disbursement period. However, if the agency's policy is to pay in one lump sum, CSC will reimburse the agency in accordance with the agency's policy.
- Pre-planned salary increases for CSC-funded positions must be reflected in the salary for each position that is included in the approved CSC line item budget.
- Salary increases, inclusive of lump sum distributions, must not cause the actual salary for the position to exceed the approved budget for the position by more than 5% of the approved budget for the position.
- Providers may be required to provide the salary ranges for their various classes of employees and documentation that the payment was made in accordance with this guidance.

Overtime

Overtime pay to non-exempt employees is an allowable expense in accordance with the Fair Labor Standards Act (FLSA) and any other applicable federal, state or local guidelines. Such expenses are to be incorporated into the contract budget and any changes are to be submitted in the budget revision. It is the program's responsibility to ensure compliance with FLSA and any other applicable federal, state or local laws and regulations.

Bonuses

CSC will not reimburse for the payment of bonuses to staff employed in its funded programs.

Temporary Employees

Costs associated with temporary employees are an allowable expense and are to be identified in the contract budget and/or budget revision. Programs requiring continuous coverage for vacation and/or absences are expected to budget for such contingencies. An audit trail must be maintained for temporary employees, such as ensuring the name of the person substituting is identified in the reimbursement, in order to avoid disallowances for these expenses.

Contingent Salaries

In circumstances where there is a contingent salary amount associated with a position based upon an employee's ability to generate additional funds for the agency/program, CSC will reimburse the approved percentage of the actual salary paid up to the amount approved in the CSC budget. Any funds raised in excess of the amount required to meet the position's budgeted salary should flow back into the CSC program.

Separation Costs

Separation costs may include payments to employees for severance, accrued vacation payout, accrued sick payout, and wages in lieu of notice.

CSC will not reimburse for accrued vacation, sick time payouts, and payment of wages in lieu of notice except upon separation from employment as provided for in the personnel policies and procedures of the agency. For instance, if the staff is leaving the CSC-funded program but continues employment with the agency, no accrued leave time would be paid.

In every instance of separation costs involving a CSC-funded employee, the agency must contact their CSC Budget Specialist. Contact must be made in advance when a severance payout and/or vacation/sick payout is involved. The CSC Budget Specialist will assist with severance payout and/or vacation/sick payout calculation examples and template found via the *Fiscal Reference File link* on the SAMIS website dashboard.

Wages paid in lieu of notice is not synonymous with severance (see next section, *Severance Pay*). The maximum that CSC will reimburse is one (1) two week or semi-monthly pay period. CSC will not reimburse for wages in lieu of notice payouts coded as severance.

Severance Pay

CSC will only reimburse severance pay due to an individual employed in a CSC funded program at separation of employment from an agency if the separation occurs immediately following the termination of a CSC contract or reduction in force. CSC will not reimburse severance when a reduction in force will affect the viability of the program or be deemed illegal per the Fair Labor Standards Act (FLSA). Please refer to General Conditions, Section 1.e.i. for requirements to notify CSC of such actions.

CSC will only reimburse severance to Providers which have an existing Board of Directors-approved severance policy prior to notifying CSC that the program will be terminating or there will be a reduction of force. If the cost of severance pay is not available through under expenditures elsewhere in the program's budget, additional funds cannot be requested from CSC.

If the severance payment requires a budget revision, the revision must be submitted through SAMIS prior to the end of the budget period. Prior approval of severance payments must be obtained in writing from the CSC Program Officer and Budget Specialist. The agency must report severance pay to the Florida Department of Economic Opportunity, which may impact the date of eligibility for unemployment benefits.

The amount of CSC's reimbursement for severance to an employee will be determined by calculating a percentage that is determined by dividing the number of months the employee has been employed in the CSC program by the total number of months employed by the agency. This percentage will be applied against the severance payment to determine how much is allocable to the CSC funded program. The CSC percentage of the employee's costs allocated to the program would then be applied to the amount resulting from the previous calculation. Severance pay will be reimbursed according to the formula provided in Table 1 (see page 19).

Accrued Vacation and Sick Pay

Accrued vacation and sick time payouts will be paid only upon separation from employment using the formula provided in Table 1. For instance, if the staff is leaving the CSC funded program but continues employment with the agency, no accrued leave time would be paid.

The following applies to both severance and accrued vacation and sick pay:

- CSC may reimburse for costs due an employee at separation of employment from the agency based on the length of time the employee has been continuously funded by CSC and working for the same agency.
- Request for authorization for such expense must be submitted to the CSC Budget Specialist for approval. Approved requests may require a SAMIS budget revision.
- The reimbursement will be determined by calculating a percentage that is determined by dividing the number of months the employee has been continuously employed in CSC program(s) by the total number of months employed by the agency. This percentage will be applied against the costs related to the separation (regardless of type) to determine how much is allocable to the CSC funded program(s). The CSC percentage of the employee's costs allocated to the program(s) would then be applied to the amount resulting from the previous calculation. CSC will only reimburse separation costs to Providers that have an existing board approved policy governing employee separation, and developed prior to notification that the CSC program will be terminating.
- Consult with your CSC Budget Specialist for a vacation/sick payout calculation example and template.

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

(One (1) year of service equals one (1) year of continuous service)

Years of Service *	Rate
Less than one year	2 weeks
One Year but less than 3 years	4 weeks
Three years but less than 5 years	6 weeks
Five years but less than 7 years	8 weeks
Over 7 years	10 weeks

Table 1

Fringe Benefits

The Provider must maintain individual employee’s records of benefits paid per employee per pay period. Fringe benefit dollars are reimbursed for actual fringe benefits purchased. The use of CSC funds for cash payments in lieu of fringe benefits is not an allowable expense. Fringe benefit dollars must be billed in the appropriate line item. For example, health insurance cannot be billed to the worker’s compensation line item. CSC requires Providers to maintain (as part of their financial records) a breakdown of each fringe benefit and the percentage or amount applied for each employee, as well as verification of payment for each benefit (by category), for each pay period or as applicable. The percentage of fringe benefits that CSC reimburses should not exceed the budgeted percentage of salary reimbursed for each position.

Personnel Cost Category

Overspending the Personnel Cost Category (Salaries and Fringe Benefits): Programs may overspend the personnel cost category by up to 10% without prior approval by CSC provided that:

- The increase in salary, plus FICA (see *Changes to the Contract Budget* on page 25), for any position within the salaries line item may not exceed 5% of the original salary approved in the budget. The total budgeted salary line item amount must not be exceeded.
- Adequate provision is made within the personnel cost category to accommodate any increased fringe benefits (proportionately) associated with the increased salary.
- There are funds available in the overall budget to meet the over expenditure in the personnel cost category and the over expenditure in other cost categories will not adversely affect the performance of the services agreed upon in the contract.
- An over expenditure in any position in the salary line item does not bind CSC to fund the position(s) at the same rate of pay or increased rate for any future contract period.
- If the line item for a position is increased using other revenue and not CSC dollars, permission from CSC is not required; however, CSC needs to be informed through the budget revision indicating the change in percentage CSC is paying for.

All budgetary changes should be communicated to the CSC Budget Specialist prior to the effective date of the change.

Leased Employee

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

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

Operating Expenses

Operating Expenses are organized into several cost categories; e.g. (Building/Rent, Printing & Supplies). Programs may overspend a **line item(s)** (e.g. office supplies) by up to 25%, without prior CSC approval, provided that total expenditures for the applicable **cost category** (e.g. Printing & Supplies) that the line item falls within does not exceed 10% of the total allocation for the cost category. (See *Changes to the Contract Budget* on page 25). **Note:** The 10% overspend allowance for the cost category takes precedence when the cost category consists of only one line item. For example, the maximum overspend allowance for the Food line item is 10%, rather than 25% since it is the only line item within the Food cost category.

Pre-paid Expenses

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

CSC will not reimburse the cost of purchasing items such as gift cards, program supplies, or office supplies, as examples, for use in the next budget period. CSC expects purchases made during the budget period to be consumed within that same period; therefore, pre-paid expenses are not encouraged at or near the end of the CSC budget period. (See *Cost Reimbursement Contracts* on Page 11 for additional information).

Fiscal Guidelines for CSC Funded Programs

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

Contact your CSC Budget Specialist if you have questions about the budget period in which to submit an expense for reimbursement.

Conference/Registration/Travel

In-state and out-of-state conference expenses must be related to the current budget period and must be directly tied to the job function of the position(s) CSC funds. Costs associated with meetings relevant to an agency's activities and/or staff and volunteer trainings, such as related travel expenses, registration fees, etc. will be reimbursed after the bill has been paid and the event has taken place. If the expenses are incurred in one budget period and the event occurs in the next, the travel-related expenses (registrations, airfare, hotel accommodations, etc.) cannot be billed to CSC until the event occurs. If an agency prepays such expenses, they should budget for them in the correct budget period.

Insurance and Independent Audit (annual costs)

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

Travel

Travel expenses are the costs associated with CSC-funded employees traveling for agency related business. Per Diem is an allowance paid to employees for lodging, meals, and incidental expenses incurred when travelling. This allowance is in lieu of paying actual travel expenses. Travel should be documented by individual position and should specify if the travel budget includes personnel whose wages are not reimbursed by CSC. The rates are based on agency's rate up to the funder's allowable rate not to exceed the current CSC reimbursable rate. See IRS Topic 511 – Business Travel Expenses for further information.

The per diem rate in effect at the time the CSC program budget is prepared will be used, and will **not** be increased in October when it is typical for the IRS to increase rates, subject to the following provisions:

- in the event that the IRS establishes lower per diem rates during the fiscal period, the rates established will automatically be lowered to those established by the IRS, and;
- in unusual circumstances, the CSC Chief Executive Officer may increase per diem rates, but not to exceed the then-current IRS rate.

If a CSC funded agency's per diem rate is lower than that of the maximum CSC allowed rate, then reimbursement will be capped at the agency's rate established by its policy.

Meals & Lodging (M&IE)

There is no specific per diem rate for lodging. There is a per diem rate for combined lodging and meal costs, and a per diem rate for meal costs alone. A Provider may use either per diem method for reimbursing employee travel expenses.

The per diem rate for meals will be the IRS standard "M&IE" rate for all locations within the continental United States, without taking into account specific higher-cost locations (as set forth in IRS Publication 1542 or its successor). CSC's maximum reimbursable rate to providers for meals increases to a total \$55, effective **October 1, 2019 to align with the current IRS rate**. The following apportionment methodology applies: \$11 for breakfast, \$16 for lunch, and \$28 for dinner.

If a Provider uses the approved IRS per diem rate, receipts and/or other documentation for meals and/or lodging will not be required to support reimbursement. Otherwise, receipts and backup documentation are required for all travel related expenses to be accepted as an approved expense. [For additional guidance on maintaining proper documentation to support per diem and/or travel expenses, please refer to: https://www.irs.gov/publications/p463/ch05.html#en_US_2015_publink100034069](https://www.irs.gov/publications/p463/ch05.html#en_US_2015_publink100034069).

Mileage

The IRS mileage rate in effect at the time the CSC program budget is prepared will be used, and will **not** be increased in January when it is typical for the IRS to increase rates, subject to the following provisions:

- in the event that the IRS establishes lower rates during the fiscal period, the rates established will automatically be lowered to those established by the IRS, and;
- in unusual circumstances, the CSC Chief Executive Officer may increase mileage rates, but not to exceed the then-current IRS rate.

If a CSC funded agency's mileage reimbursement rate is lower than that of the maximum CSC allowed rate, then reimbursement will be capped at the agency's rate established by its policy.

Food Service

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

Indirect Cost Allocation

The costs that cannot be identified with a program but are necessary for the general operation of the organization. When any indirect cost activities can be reasonably identified as a direct part of a specific program, the expenses should be charged to the program and not be part of the indirect cost calculation. An agency's indirect cost rate can be used to allocate a percentage of services and can include, but not limited to:

- Legal services
- Accounting

- Auditing
- Office management
- Executive direction
- Administrative support

The indirect cost rate is established through initial negotiations of the budget and completion of the indirect cost worksheet (See <https://palmbeach.samis.io>). The indirect cost rate that is agreed upon is not subject to revision during the course of the budget period. CSC will reimburse up to a maximum of 15% for indirect costs. If Providers have their own state/federal indirect cost rate, CSC will pay the lesser of the state/federal rate and the CSC maximum rate. Providers are required to maintain up to date information showing how the amount being requested for indirect costs are calculated.

Capital

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

Capital equipment requests are only permitted for 1) start-up/installation programs; 2) as a result of an expansion of the program; or 3) through the Computer Replacement Initiative (for positions that are funded at least 50% with CSC funds). Requests for IT equipment and peripherals may also be submitted through the Continuous Improvement Initiative. [The application is available on the CSC website at www.cscpb.org](http://www.cscpb.org).

Capital equipment purchased with CSC funds in a program no longer being funded by CSC must be returned if requested.

Credit Card Use

Purchases

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

Receipts

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

Stale-dated checks

The Provider is advised to review and follow the State of Florida Unclaimed Property Reporting and Remitting requirements in Chapter 717, Florida Statutes and Chapter 69I-20, Florida Administrative Code. An example would be if the Provider writes a check for goods or services they have received and the check is never cashed, the Provider has an obligation after five years to forward the funds to the State as “unclaimed property.” The CSC expects Providers to make a determination from the payee regarding checks that are outstanding for 180 days or more (or the timeframe specified in the Provider’s policy, whichever is less). The Provider should determine if a stop payment should be placed on the outstanding check and the check should be re-issued.

Supporting Documentation

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

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

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

Changes to the Contract Budget

Budgeted expenses are intended to be directly related to the program’s ability to achieve the results in which the Council has invested. Any budget revisions, should, therefore, not change the nature of the program. If capacity is increased as a result of a budget revision, increased performance will be expected. In order to minimize the risk of an expenditure being disallowed, Providers are required to submit a CSC budget revision through SAMIS, if applicable, incorporating the authorized change.

CSC expects the CSC Budget Specialist to be consulted regarding any potential budget change to a cost category over the 10% rule (operating and personnel expenses with the exception of the 5% rule governing salaries and FICA. See *Operating Expenses* on Page 20 and/or *Personnel Cost Category* on page 19, respectively). Budget changes for the current budget period that may increase the following budget period’s allocation request may be authorized. If authorized, CSC is not committed to funding that increase in the following budget period.

If during the budget revision process, it is determined that the program does not have a valid reason for the movement of unexpended funds, the amount of those funds will result in a budget amendment reducing the contract by the total of those funds.

The budget revision is required under the following circumstances:

- Providers who received approval for a change to the program budget must complete the budget revision via SAMIS and incorporate those prior approved changes in the formal budget revision.
- A budget revision should also be completed by Providers anticipating expenditures in excess of 10% above amounts in any cost category.
- Any adjustments to a contracted line item that is necessary to reflect actual expenditure patterns.

CSC is not obligated to approve items requested in a budget revision and may require justification for each change. Approval will not be entertained for a revision which involves an increase in dollars over the original contract amount.

The approved budget staffing structure for salaries may not be revised during the budget period unless one of the following conditions applies:

- A change in the “Exhibit B” requires the addition of a position(s).
- A change in the “Exhibit B” requires the deletion of a position(s).
- The performance of a function is converted from being performed by a Provider staff person to being performed by an independent contractor.

Fiscal Guidelines for CSC Funded Programs

If a program requests a change in a salary, CSC will examine the impact upon the following budget period's budget. If the change requires an increase in the program budget, CSC is not committed to funding the change in the following budget period.

Changes to the budget after the revision has been approved should be kept to a minimum to address extenuating circumstances and are to be submitted via SAMIS by the 15th of the month prior to the last month of the budget period.

Extenuating circumstances prompting such a request include:

- A salary for a position is being increased.
- Expenditures in a cost category are going to exceed 10% of the approved amount.
- It becomes necessary to use funds for expenses other than those described in the CSC budget narrative.

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

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

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

- How will the change help the program achieve the results in which the Council has invested?
- Is the change tied directly and integrally to the program's ability to achieve its contracted results?
- Will the change allow the program to end the year with a balanced budget?
- When the budget is annualized for the subsequent year, are additional funds required to support the change?
- Are there other resources or ways the programmatic need can be met without increasing the program's annualized budget?
- What can CSC staff do to help the Provider locate additional resources to accommodate the change if it cannot be supported in the subsequent year?

Late Submissions of Documentation

The CSC contract contains provisions for reporting fiscal and program information and for submitting current copies of certain documents to be retained on file with CSC and/or any other entities identified in the CSC contract (as applicable). There are specific time frames within which this information is to be received by CSC, and/or the entity identified in the CSC contract. These time frames have either been

Fiscal Guidelines for CSC Funded Programs

communicated through the contract document itself or this set of Fiscal Guidelines. If due dates (including due dates resulting from an extension) are not adhered to, a late charge may result. CSC's Late Submission of Documentation provisions documented in the contract includes the following:

- Monthly Reimbursement requests are due to CSC through SAMIS, unless specifically authorized to use an alternative method of reporting. Reimbursement requests are due by the 10th of each month, unless otherwise specifically authorized by CSC. A program with three late invoice submissions within a rolling 12-month period will incur a \$500 late charge (applied to the latest invoice submission). Note that the rolling 12-month period may cross fiscal years. The late charge will then be brought to the Council at that month's meeting for informational purposes only (See Page 13 for the complete *Late Submissions Policy Governing Request for Reimbursement*).
- An **original copy** of the annual independent audit complete with Management Letter and Auditor's Communication with Those Charged with Governance (AU-C 260 of the AICPA), hereafter the "Communication"- which must comply with GAGAS (Yellow Book or OMB A-133 Single Audit standards as defined by levels of agency funding and as specified by the Federal OMB threshold). The CSC will accept an electronic copy (preferably PDF) of the completed Audited Financial Statements for any of its funded Providers, with the single provision being that the electronic copy is sent **directly** from the Auditor (CPA) or Audit Firm completing the audit engagement for the Provider. If having the audit firm provide the Audit, accompanying Management Letter and Communication electronically is not feasible or timely, then the Provider may submit them in bound form. If the annual audit is received without the Management Letter and/or the Communication, the audit will be considered late. If a Management Letter and/or Communication was not issued, and this fact is not clearly stated in the Audit, written notification from the audit firm that no such Management Letter and/or Communication was submitted to the Provider is required. All audited financial statements (based on the above stipulations) must be submitted within the timeframe specified and to the entity identified in the CSC contract. **Private, for-profit entities are excluded from this requirement; government entities must comply with section 5.b. of the General Conditions.**
- The Board approved unaudited quarterly financial statements inclusive of the income statement, balance sheet, and statement of cash flows for the requesting Provider must be submitted to the CSC within ten calendar days of the Board meeting. Government entities and private entities are excluded from this requirement.
- General Liability and sexual abuse/molestation insurance
- Auto insurance if vehicle was purchased with CSC funds, or if transporting children as part of CSC program services.
- Worker's Compensation Insurance
- Fire Inspection (if applicable)

Request for Extensions

Reimbursement Requests

Providers must let the CSC Budget Specialist assigned to their program know if a reimbursement request will be late. Written requests (email is sufficient) for extensions of reimbursements must be received no later than the due date. Requests for an extension are processed and approved by the Budget Specialist on a case-by-case basis.

Independent Audits

Providers must let the CSC Budget Specialist assigned to their program know if an audit will be late. The *Request for Extension to Submit Audit Report* form is available via the *Fiscal Reference Files* link on the SAMIS website dashboard or may be requested from your Budget Specialist. It must be submitted by **only** the agency's Auditor (CPA) or Auditing Firm, at least one business day before the audit would have been due. If an extension is approved by CSC, the Provider will receive a written form of notification establishing an extended due date by which the outstanding information is to be received by CSC. If the extended due date is not complied with, the late charge will be assessed.

Other Certification Documents

Providers must let the CSC Program Officer assigned to their program know if other certification file documents, or requested data submission will be late. If an extension is requested and approved by CSC, the Provider will receive a written form of notification establishing an extended due date by which the outstanding information is to be received by CSC. If the extended due date is not complied with, the late charge will be assessed.

Time for Extensions

With the exception of insurance documentation, which under the General Conditions is subject to only a 5-day extension, extensions for submission of other types of documentation may be requested by the Provider (or in the case of audits, by the agency's Auditor (CPA) or Auditing Firm) for up to 45 days. Any additional requests for extensions of time to submit documentation may be granted at CSC's sole discretion upon a showing by the Provider (or Auditor or Auditing Firm) that additional time is needed due to circumstances beyond the Provider's control. If an extension(s) is requested and approved by CSC, the Provider will receive written notification establishing an extended due date by which the outstanding information is to be received by CSC. If the extended due date is not complied with, the late charge will be assessed.

Late charges

If the documents (i.e. independent audit report, insurance documents, fire inspection and licenses) are not submitted by the applicable due date, the CSC Budget Specialist shall deduct a \$500 late charge from the latest reimbursement request for each month or portion of a month that the required documentation is late. The CSC Program Officer will notify the program's Executive Director/CEO and Board Chair in writing that the late charge is being deducted from the reimbursement. CSC's Council will be advised that such late charges were applied in the form of an "FYI" agenda item.

Disposing of Capital Items Purchased with CSC Funds

For the purpose of this guideline, “purchased with CSC funds” is defined as capital expenses paid in full using CSC funds. Capital items are those items valued at \$500 or more, which have been: 1) purchased with CSC funds, reported and reimbursed as capital expenses under contract with CSC; 2) provided through the Computer Replacement Initiative; or 3) awarded through CSC’s Continuous Improvement Initiative. It includes items purchased from the date the program was first funded by CSC through the date that CSC no longer provides funding for the program.

For CSC purchased equipment, the equipment purchased in a program no longer being funded by CSC must be returned if requested.

Conditions to be Observed Throughout the Contract

Cash Flow Shortage Notification

The Provider agrees to notify CSC of any anticipated cash flow shortage situations within two (2) business days of becoming aware of such a situation. See General Conditions, 1.e.v. for “cash flow shortage” as defined for the purposes of the Agreement.

Notification of Excess Revenue

If any fees are generated by the Council’s funded program in excess of the amount budgeted, the Provider will notify the Council staff of the excess revenues and plans to expend such fees. All fees generated by the Council funded program will be recorded in a separate revenue account.

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

1. Increase the number of clients attending the program within licensed capacity (if licensing is applicable).
2. Purchase those items which would be considered “enhancements” to the service being provided in order to improve the quality of the program.
3. Reduce the Council’s funding by the amount of the excess fees received.

Notification of Compromised Computer Systems

Notify the Council immediately (and in no event longer than 24 hours) Provider learns that any of its computer systems have been compromised (e.g. email network hacked). [Notification is to be sent via email to notify@cscpb.org.](mailto:notify@cscpb.org)

Notification of a Change in the Provider's Fiscal Year

In the event a Provider changes its fiscal year, written notification to the CSC Program Officer(s) is required within seven (7) days of the agency's Board approval of that change. Advise CSC how the agency has chosen to present its audited financial statements in the year of the change and in the following year. For example, an agency can choose to extend the period under the audit in the year of a change (i.e. have an audit for a 15-month period end), or have an audit for a short period, plus the organization's original year-end.

If notification is not received within the required timeframe, the CSC Budget Specialist shall deduct a \$500 late charge from the latest reimbursement request for each month or portion of a month that the notification is late. (See Page 28 *Late Charges* for additional details).

If the due date for the submission of the audit (including due dates resulting from an extension) is not adhered to, a late charge may result. (See Page 26 *Late Submissions of Documentation*).

Provider Staff Screening

In the event a Provider commits a "screening trigger event", as defined in the General Conditions, 1.c.i., the Council will assess a **one-time charge of \$1,000 per employee per triggering event**, from the Provider's current month's request to the Council for reimbursement. The CSC Program Officer will notify the program's Executive Director/CEO and Board Chair in writing that the one-time charge is being deducted from the reimbursement. CSC's Council will be advised that such a charge was applied in the form of an "FYI" agenda item.

Minimum Fiscal Requirements for Funded Programs

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

- a. Maintain General Ledger.
- b. Maintain Payroll Ledger.
- c. Retain monthly bank statements and ensure timely approved reconciliations in accordance with the Provider's policies.
- d. Prepare Monthly Financial Statements inclusive of Revenues and Expenses and Balance Sheet and Statement of Cash Flows.
- e. Maintain Chart of Accounts.
- f. Maintain revenue and expenses cost allocation worksheets.
- g. Track physical inventory if CSC funded.

Fiscal Guidelines for CSC Funded Programs

- h. Prepare IRS 941 report quarterly (be able to show 941 forms and bank statement to verify payments have been made. If a sub-contractor does this on behalf of the Provider, the Provider needs to obtain a letter verifying that the payments have been made through the most recent payroll date.)
- i. Ensure that an independent audit, along with IRS Form 990, is completed on an annual basis, if applicable.
- j. The CSC requires all independent audited financial statements must be submitted to CSC within the timeframe as specified in the CSC contract. The CSC will accept an electronic copy (preferably PDF) of the completed Audited Financial Statements for any of its funded Providers, with the single provision being that electronic copy is sent **directly** from the Auditor (CPA) or Audit Firm completing the audit engagement for the Provider. [The independent audit should be submitted to compliance@cscpb.org](mailto:compliance@cscpb.org). The e-copy would require some prior approval/agreement between the Provider and the audit firm to release that information to its funders. If having the audit firm provide the Audit and accompanying Management Letter and Communication electronically is not feasible or timely, then the Provider may submit them in bound form. The document can be hand delivered or submitted via any acceptable US mail system.
- k. Prepare W-2 forms for each employee annually by January 31 of subsequent year.
- l. Prepare and distribute IRS Form 1099 in accordance with IRS guidelines.
- m. Prepare employer's quarterly tax report in accordance with IRS guidelines.
- n. Prepare monthly reimbursement requests. Enter these requests in the SAMIS system, unless specifically authorized to use an alternative method of reporting, and maintain supporting documentation.
- o. Present financial statements and other fiscal matters at the Agency Board Meetings.
- p. Notify CSC of anticipated agency cash shortages.
- q. The Board approved unaudited quarterly financial statements inclusive of the income statement, balance sheet, and statement of cash flows for the requesting Provider must be submitted to the CSC within ten days of the Board meeting. If the board meeting has not taken place by the last day of the month following the end of the quarter, please submit your quarterly financial statements by the last day of the month, and then submit the Board approved financials the day following your board meeting. Government entities and private, for-private entities are excluded from this requirement.

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