



# **Lead Agency Administrative Guide**

## **FY 2021 – 2022\***

**\*This Guide has been updated to conform to the new CSC Lead Agency construct. The previous Level Two Lead Agency is now a Level One Lead Agency, and the previous Level Three Lead Agency is now a Level Two Lead Agency.**

## Lead Agency Definition

The Children’s Services Council Palm Beach County (CSC) defines a “**Lead Agency**” (LA) as an agency that is primarily responsible for the delivery of specified services to children and families through and/or with one or more sub-contracted entities. Although accountable for the delivery of specified services, the Lead Agency may or may not provide the specified services itself.

If the Lead Agency is a direct provider of the specified services, it will be subject to all of the requirements CSC has for its contracted agencies. All Lead Agencies will have responsibility as outlined in this “Lead Agency Administrative Guide” and will have the responsibilities consistent with its “Level”, as shown below and as designated in its contract with CSC. CSC will monitor the Lead Agency for compliance to the below oversight requirements.

## Levels of Lead Agencies

**Level One Agency that CSC contracts with:** Subcontracts with other agencies falling within the following programmatic contract categories: Management of Funds

- Partnership/Special Services; and
- Program Support, in addition to any other contract where it is specifically noted in the contract.

**Level Two Agency that CSC contracts with:** Subcontracts with other entities (not agencies) not fitting into any of the programmatic contract categories. These would include consulting agreements, specialty service by individuals and special initiatives.

## Minimum Oversight Requirements

The table below outlines the **MINIMUM** required oversight requirements of the Lead Agency in relation to their subcontracts. **In the event that additional oversight requirements are needed for a specific Lead Agency, those additional requirements will be detailed in the contract.**

Table 1. Stratification of Oversight Requirements by a Lead Agency

Activity		Level One	Level Two
1.	Oversight and monitoring of programmatic portion of specified services (See Attachment A)	X	N/A
2.	Oversight and management of fiscal portion of specified services	X	N/A
3.	CSC Audit Requirement	X- Desk Audit	N/A
4.	Subcontractors must provide annual Financial Reconciliation Statement to the Lead Agency	X	X
5.	Subcontractor’s agreements must include ‘required’ language [with noted exceptions where appropriate]	X	N/A

## Lead Agency Responsibilities

The following responsibilities are applicable to Lead Agencies to the extent specified in Table 1 above, unless otherwise specifically stated in their contract:

1. **Oversight and monitoring of the programmatic portion of the specified services:**

- A. The Lead Agency (LA) will identify agencies with which to subcontract that are appropriate to deliver the specified services. CSC has the right to review and approve all subcontracts. Ideally, the LA has identified the agencies in its response to CSC's solicitation process, or via any subsequent procurement. The Lead Agency is responsible for:
  - i. Verifying delivery of services and contract deliverables.
  - ii. Measuring the quantity of the services provided (capacity) and implementing actions to improve utilization and quality of services.
  - iii. Monitoring to ensure responsiveness and excellence in customer service.
  - iv. Collecting client data relevant to the program operation and reporting the data as required by CSC.
  - v. Attending all meetings required by CSC.
  - vi. Ensuring all licenses and other certifications are current.
  - vii. Ensuring all other program requirements are being met in compliance with CSC's contract.
  - viii. Monitoring subcontractor(s) for CSC's Comprehensive Program Performance Assessment (CPPA) and providing the relevant data/information to Program Officer, as applicable.
  - ix. Collecting all certification documents to ensure the subcontractor remains a viable business entity, including: (a) Certification of Liability Insurance and (b) Auto Insurance, as applicable, (c) Fire Inspections, and (d) HIPAA Business Associate Agreement, as applicable, and (e) Annual Independent Audit.
- B. The Lead Agency will assume the responsibility for implementing as well as enforcing any performance improvement plan or corrective action required by CSC that results from subcontractor(s) program operation and will be the responsible agency appearing at CSC's Council if necessary.

## 2. Oversight and management for the fiscal portion of the specified services:

- A. The Lead Agency will prepare a consolidated budget for the program, including the LA and subcontracted portion(s).
- B. Based on total allocation for the program, the Lead Agency negotiates the subcontractor(s) budgets. The Lead Agency will oversee the expenditure rate of the subcontracted portion of the program budget and initiate budget revision(s) as necessary.
- C. The Lead Agency may (at the beginning of the Fiscal Year) request an advance amount (if necessary) to provide sufficient cash flow for itself and the subcontracted agency(s). The LA is ultimately responsible for the repayment of the advance prior to the end of the funding period. Any advance requested is subject to the rules outlined in the [CSC Fiscal Guidelines, click here](#).
- D. The Lead Agency will submit to CSC a consolidated invoice including LA and subcontracted expense amounts, as required by contract.
- E. Where possible, the Lead Agency is encouraged to provide subcontractor reimbursement via Electronic Funds Transfer, in order to effect timely payments.
- F. For unit cost contracts: For each service provided, as defined in the program's contract, the Lead Agency will ensure the subcontracted agency maintains all appropriate supporting documentation to demonstrate they satisfied the requirements for delivering each unit of service as it is defined, as well as proof supporting the number of units provided and paid for during the contract period. Evidence of service items could include (but not be limited to) employee time sheets, clear association (where applicable) to a consultant or vendor, client sign-in and sign-out service logs with client name or ID number, and travel logs (if service is

away from office). A case note to validate service delivery, time and date service was administered, and by whom, may be acceptable in some instances.

### 3. Audit Requirements

- A. The Lead Agency will be audited by CSC's Compliance Auditors. There will be a maximum of one **CSC agency audit** of Lead Agency per CSC fiscal/contract year (October 1 through September 30). This CSC audit will include a review of subcontractor audit work-papers and reports, and applicable oversight protocols maintained by the Lead Agency.

The LA will be responsible for addressing any concerns identified during the course of the CSC audit as they relate to the LA and/or a subcontracted agency, or the LA process for auditing subcontractors. **Note:** Any identified subcontractor mismanagement of funds, or audit findings that result in disallowances in excess of \$5000, identified as a result of the LA subcontractor audit, must be reported via e-mail to the CSC Program Officer within 3 business day of the finding. CSC reserves the right to report the finding, along with established remedy for restitution, to the Office of the Inspector General of Palm Beach County.

- B. Any Lead Agency awarded a contract in excess of \$500,000, is subject to an internal (CSC) desk audit for fiscal compliance, with follow-up as needed. The desk audit typically consists of an analysis of fiscal and related documentation (submitted by the LA and stored in CSC's document repository) including, but not limited to, reimbursement invoices and/or reconciliation reports, quarterly reports containing fiscal data and other fiscal compliance elements required in the agreement.

### 4. Subcontractors must provide annual Financial Reconciliation Statement

Lead Agencies must submit a Financial Reconciliation Statement (*Form on website*) and a summary of the year's activities and expenditures of the subcontractors. Documents sufficient to support the final position of reimbursed funds in relation to actual program expenses must be submitted to CSC no later than October 31 (unless another date is specified in the contract), following the end of the contract period.

### 5. Must include 'required' language in subcontractor's agreements

The following language must be included in all agreements between the Lead Agency and subcontractors for Level One and Level Two, per Table 1:

The Lead Agency has overall fiscal and programmatic responsibility for those specified services in Palm Beach County. The Lead Agency has agreed to perform the contracted services, and will be required to include the following language in the Subcontractor agreement.

- A. Accordingly, the Subcontractor agrees to:
- i. Provide services according to all CSC contracted requirements. Additionally, the Subcontractor shall not discriminate against an employee, volunteer, or client of Provider on the basis of race, color, gender, marital status, familial status, sexual orientation, gender identity or expression, religion, national origin, disability, age, or any other characteristic protected by law, except that programs may offer services for specific groups as may be defined in this Subcontractor agreement. Subcontractor shall comply with all applicable federal, state, and local laws in effect at the time of the execution of

this Subcontractor agreement and as amended during the term of the Subcontractor agreement.

- ii. Make available for inspection, review or audit by the CSC, upon reasonable notice, books, records and documents reflecting expenditure of funds provided by the Subcontractor agreement.
- iii. Retain all financial records, support documents, statistical records and any other documents pertinent to the Subcontractor agreement for a period of six (6) years following termination of the Subcontractor agreement or if an audit has been initiated and audit findings have not been resolved, the records shall be retained until resolution of all such audit findings.
- iv. To acknowledge that CSC is a public agency subject to Chapter 119, Florida Statutes and that the Subcontractor shall comply with Florida's Public Records Law. Specifically, the Subcontractor shall:
  - (1) Keep and maintain public records required by CSC in order to perform the service required under the Subcontractor agreement;
  - (2) Upon request from the CSC custodian of public records, provide CSC with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, F.S. or as otherwise provided by law.
  - (3) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the term of the Subcontractor agreement and following completion of the Subcontractor agreement if the Subcontractor does not transfer the records to the CSC.
  - (4) Upon completion of the Subcontractor agreement, transfer, at no cost to CSC, all public records in possession of the Subcontractor, or keep and maintain public records required by CSC to perform the service required under the Subcontractor agreement. If the Subcontractor transfers all public records to the CSC upon completion of the Subcontractor agreement, the Subcontractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Subcontractor keeps and maintains public records upon completion of the Subcontractor agreement, the Subcontractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to CSC upon request from the CSC custodian of public records in a format that is compatible with the information technology systems of CSC.
  - (5) **IF THE SUBCONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE PROVIDER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT:**

**Children's Services Council of Palm Beach County  
C/O RECORDS CUSTODIAN  
2300 HIGH RIDGE ROAD  
BOYNTON BEACH, FL 33426  
(561) 374-7544  
RECORDSCUSTODIAN@CSCPBC.ORG**

- v. The fiscal administration of this Agreement being pursuant to CSC's "Fiscal Guidelines for CSC Funded Programs" a copy of which is available on the [CSC website, click here.](#)

- vi. Permit access by persons duly authorized by the Lead Agency or CSC to the Program. Access may include, but not be limited to, on-going agency site visits, home visits, staff meetings, client files.
- vii. Establish and maintain reasonable procedures and controls for safeguarding records, so that no information contained in the Subcontractor's records, or obtained from others carrying out the terms of the Subcontractor agreement, shall be used by or disclosed by the Subcontractor, its agents, officers, or employees except as provided by law.
- viii. Furnish the Lead Agency with reports of the effectiveness of the Program and include statistics and data on the persons served and such other reports and information that the Lead Agency and CSC may require. Such reports shall be made as requested from the effective date of the Subcontractor agreement and in a format provided by the Lead Agency and/or CSC.
- ix. Once invoices for payment under the Subcontractor agreement are submitted to the Lead Agency, appropriate documentation supporting all expenditures included must be maintained and accessible for review when requested by the Lead Agency and/or CSC.
- x. Return to the Lead Agency any overpayments made through inadvertence or miscalculation or because payment is disallowed as not having been properly earned under the Subcontractor agreement. Such funds shall be refunded in full by the Subcontractor to the Lead Agency as follows:
  - (1) Within twenty (20) days from the date of written notification by the Lead Contracting Agency to Subcontractor of overpayment or disallowance; or
  - (2) Within thirty (30) days following the end of the agreement.
  - (3) The Lead Agency shall have the right to deduct from any subsequent payment request submitted by the Subcontractor, the amount of any overpayments or disallowed expenses.
- xi. Ensure that staff meet the minimum training requirements, as required by the Lead Agency and/or CSC.
- xii. Submit, a Generally Accepted Government Auditing Standards (GAGAS) (the "Yellow Book") audit ("the Audit") together with management letter and Auditors Communication with Those Charged with Governance (AU-C260 of the AICPA) (hereafter, the "Communication") or an OMB Circular A-133 (Single Audit), within one hundred eighty (180) days of Provider's fiscal year end to the Council. In the event that Subcontractor's fiscal year end occurs prior to the completion of the term of the Agreement, (i.e., for each portion of a Subcontractor's fiscal year during the term of this Agreement, Subcontractor shall supply an audit and accompanying management letter). Subcontractor shall supply the Audit and accompanying management letter (which, at a minimum, shall comply with AU-C 265 of the AICPA) and Communication for each of Subcontractor's fiscal years occurring during the term of the Agreement, each such audit and management letter and Communication to be provided to the Council within one hundred eighty (180) days of Subcontractor's fiscal year end. If no management letter and/or Communication is prepared by the independent certified accounting firm, and this fact is not clearly stated in the Audit, then the independent certified accounting firm must confirm in writing to the Lead Agency that no such management letter and/or Communication was submitted to Subcontractor. The Lead Agency is expected to review the annual financial statements for inconsistencies and areas of concern noted by the auditor.
- xiii. Provide (1) Commercial General Liability and Sexual Abuse/Molestation, Required \$1,000,000 per occurrence. This policy shall cover all risks, the contracted liability assumed by Subcontract under the indemnification provision in section xxii below, and

include bodily injury, property damage, and personal injury. (2) Workers' Compensation Insurance limits per Chapter 440 of Florida Statute. Required if Provider has employees engaged in the performance of work under this Agreement. (3) Automobile Liability Insurance. Required only if Subcontractor transports clients in connection with the program (or any portion thereof) funded by CSC. \$1,000,000 limit is required.

- xiv. The Subcontractor shall furnish to the Lead Agency a Certificate of Insurance, naming CSC as an additional insured with respect to the Commercial General Liability of at least \$1,000,000 as stated above. If subsection automobile insurance is needed, a Certificate of Insurance coverage for the policy limits and the additional insured endorsement to the policy must also be furnished to the Lead Agency. Subcontractor's coverage shall be primary and non-contributing to any insurance coverage CSC has available.  
Waiver of Subrogation: In the event of loss, damage, or injury to the Subcontractor and/or the Subcontractor's property, the Subcontractor shall look solely to any insurance in its favor without making any claim against CSC. The Subcontractor hereby waives any right of subrogation against CSC, for loss, damage, or injury within the scope of the Subcontractor's Insurance, and on behalf of itself and its insurer, waives all such claims against CSC. Evidence that CSC has been named as an additional insured for general liability and auto, as applicable, and waiver of subrogation for all applicable insurances, must be shown on the written verification of insurances.
- xv. Provide copies of fire inspections for all sites where children are served and HIPPA Business Associates Agreements, as applicable, to the Lead Agency.
- xvi. Engage in and cooperate with CSC's outreach and education efforts
- (1) When the Subcontractor describes Children's Services Council in written material (including news releases), use the language provided below and available on the CSC website at [cscpsc.org/logos](http://cscpsc.org/logos).  
***Children's Services Council of Palm Beach County, a special district created by Palm Beach County voters, provides leadership, funding, and research on behalf of the county's children so they grow up healthy, safe and strong.***
  - (2) Display the Council's logo according to the guidelines at [cscpsc.org/logos](http://cscpsc.org/logos) on any printed promotional material paid for using CSC funds including stationery, brochures, flyers, posters, etc., describing or referring to a program or service funded by CSC.
  - (3) Contact the CSC's Communications Division regarding questions: 561-740-7000 or [communications@cscpsc.org](mailto:communications@cscpsc.org).
- xvii. Ensure that Subcontractor staff, whose compensation is funded in whole or in part by the CSC, and all volunteers and consultants working on the program funded under the subcontractor agreement whose job function involves engagement, interaction, or communication with children in any way including accessing databases about children (e.g. HBDS), must complete a satisfactory Level 2 background screening (as defined in Section 435.04, F.S.) and be satisfactorily rescreened every five (5) years thereafter (in no event later than 30 days after the end of the preceding 5-year period). A Subcontractor may hire an employee to a position that requires Level 2 background screening before the employee completes the screening process for training and orientation purposes. The employee may not have direct contact with children or access to confidential data until the screening process is satisfactorily completed. If the Lead Agency or subcontracted agency becomes aware that an employee has been arrested for a disqualifying offense, the Subcontractor must immediately remove the employee from contact with any child until the arrest is resolved in a way that the subcontracted agency determines that the employee is still eligible for employment under the subcontracted agreement with

continued CSC reimbursement to the Lead Agency for such employee to be determined on a case-by-case basis. Subcontracted agencies are required to (1) promptly notify the Lead Agency of an employee arrested for a disqualifying offense and (2) make any changes to their staff positions in SAMIS within 10 business days of any changes in employment, as applicable.

- xviii. If the subcontracted agency is hiring an employee who has had a Level 2 background screening within the last five (5) years, then that employee need not be rescreened so long as the agency obtains proof of satisfactory screening. Employees must be rescreened upon hiring if such proof cannot be obtained. Where the Level 2 background screening has been done by the School District of Palm Beach County, a copy of the currently valid badge provided by the School District for each applicable employee will constitute the required documentation. Subcontracted agencies using this service are required to notify the School District if one of its screened employees is no longer an employee of the agency and to comply with any other School District requirements for such a situation.
- xix. All Subcontractors will register with and use the E-Verify system (E-Verify.gov) as defined in 448.095 (e) F. S. to verify the work authorization status of all newly hired employees. The Lead Agency must obtain and retain an affidavit from the Subcontractor stating that the Subcontractor does not employ, contract with, or subcontract with an individual who is not authorized to be employed in the United States.
- xx. All documentation/results of the required background screenings and E-Verify registrations, E-Verify checks for Subcontractor staff, volunteers, and consultants will be retained at the Subcontractor's office location and will be produced upon request of the Lead Agency or CSC. Should any applicable employee's, volunteer's or consultant's satisfactory background screening results change, the Lead Agency must be notified in writing within five (5) days of Subcontractor becoming aware of such change. The Lead Agency will notify CSC within 3 business days of Subcontractor notification.
- xxi. Inspector General. The Subcontractor is aware that the Inspector General of Palm Beach County has the authority to investigate and review matters relating to the negotiation and performance of this Agreement, and in furtherance thereof may demand and obtain all records and documents in possession of the Lead Agency and any subcontractors and lower tier subcontractors, as well as any other person or entity doing business with the Council or receiving Council funds. The Subcontractor understands and agrees that in addition to all other remedies and consequences provided by law, the failure of Subcontractors and lower tier subcontractors, as well as any other person or entity doing business with the CSC or receiving CSC funds to fully cooperate with the Inspector General when requested may be deemed by CSC to be a material breach of this Subcontractor agreement justifying its termination.
- xxii. Additionally, the Subcontractor agrees:  
That with respect to the program(s) funded, CSC has not and will not be involved in any way in the operation and management of such program(s). The Subcontractor agrees to save, defend, indemnify and hold harmless CSC, (including all Council members, employees and volunteers, with respect to Subcontractor's liability on account of any injuries (including bodily injury, property damage and personal and advertising injury), damages, omissions, commissions, actions, causes of actions, claims, suits, judgments and damages accruing, including court costs and reasonable attorneys' fees (at the trial appellate, post-judgment or bankruptcy procedure level), as a result of services performed or not performed, or any negligent act by the Subcontractor, or those acting on Subcontractor's behalf, or any action arising out of the operation of the Agreement.



The Subcontractor is performing the services and duties required by the agreement as an independent contractor and not as an employee, agent, partner of, or joint venture with CSC. The Subcontractor shall assume sole and exclusive responsibility for the payment of wages, including overtime, to all employees for services performed by them under this agreement and shall at all times adhere to the requirements set forth in the Fair Labor Standards Act. The Subcontractor shall, with respect to said employees, be responsible for withholding federal income taxes, FICA and any other applicable withholding, paying federal social security taxes, maintaining unemployment insurance and maintaining worker's compensation coverage in amounts required by applicable federal and state law.

## LAAG - ATTACHMENT "A"

### SUBCONTRACTOR MONITORING RECOMMENDATIONS:

**The Lead Agency is required to develop a specific set of subcontractor monitoring procedures to ensure effective and consistent oversight of CSC service deliverables.**

Effective contract compliance review and monitoring processes are necessary to assess the status and trends in the subcontractors' program operation as stipulated by their agreement. Assessing status and trends include both on-site review of service operations and monitoring of fiscal and program related data, as well as establishing the accuracy of data reports submitted as a condition of award. Monitoring activities will provide insight into the effectiveness of subcontractor management strategies; indicate where contract deliverables and goals are being met, where there are opportunities for improvement, and whether more direction, controls, or process management is warranted.

#### **Monitoring Frequency**

The frequency for subcontractor monitoring should be **once** within the first 9 months of new subcontract operation, and within 12 months of the contract year close thereafter.

**NOTE:** It is critical to remember that CSC funding, direct or via subcontract, is granted on year-to-year basis, and under no circumstance is one years' contract funds allowed to be carried over to be expended in the next year.

**Reminder of Non-reimbursable expenses for purposes of fiscal monitoring:** [See Fiscal Guidelines for more information]

- State of Florida sales tax, late fees and finance charges are not eligible for reimbursement.
- Prepaid expenses are payments made by the subcontractor in advance of goods or services being delivered. Examples of prepaid expenses include conferences, rent and insurance.
- Lead Agency may not reimburse the cost of a subcontractor purchasing items such as gift cards in one contract year (CY) for use in the next CY.

#### **General Expectations of Subcontractor Review**

Review agency operational procedures to ensure:

- Procurement standards are in place and are being followed where applicable
- Accounting policies and procedures are in place and that they conform to generally accepted accounting practices
- Board of Directors meeting minutes display active BOD participation
- Other funders or accreditation bodies issue monitoring reports

**Lead Agency monitoring staff will share in writing – at all times:**

- Monitoring Findings
- All instances of contract nonconformance
- Recommendations – both general and specific
- Areas of strength or commendation, where appropriate

#### **Available Tools:**

- [Fiscal Guidelines for CSC Funded Programs, click here.](#)
- Financial Reconciliation Statement

*The Children's Services Council of Palm Beach County (CSC) Audit & Compliance Department remains ready and available to offer guidance and/or to assist Lead Agencies in their evaluation of how well their subcontracted agencies are meeting the contract goals/deliverables.*