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# ACCOUNTING AND FINANCIAL POLICIES AND PROCEDURES MANUAL

## Rev. 6/13/2022

Board Approved:

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| **POLICY TITLE:****[Signature](#_bookmark1)** **Authority** | **POLICY SECTION:****F-AUTH** |
| **DEPARTMENT:** **Finance** | **EFFECTIVE DATE:****7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** | **REVISION DATE:** |

## POLICY:

THE COALITION annually approves and affirms the Board Officers effective July 1- June 30th. As a policy, the Board Officers and the CEO are check signers for all bank accounts maintained by THE COALITION. The COALITION delegates signing authority to the CEO to sign all documents related to vendor and/or operations that support the daily function of the COALITION. As a policy, the Chair and of Board Officers will sign contracts related to the Healthy Start Program (Healthy Start Services, Enhanced Healthy Start Services).

## PROCEDURE:

1. The Chief Executive Officer (“CEO”), is hereby granted the authority as agent for THE COALITION to sign documents and enter into contracts, as follows:
	1. Any contract, check or other paper in connection with any vendor and/or operational expenditure or activity that is within a duly authorized annual budget authorized by the Board of Directors. The budget may be amended from time to time and annually.
	2. Any contract, check or other paper in connection with any single expenditure or expenditures in any distinct fiscal year that singularly or in aggregate total

$15,000, and that are not within any budget category or exceed the amount budgeted will require prior approval from the Board. This is a single limit authorization and when the $15,000 is committed in any single year, then the Chief Executive Officer must seek additional board authority for any additional expenditure from the Board prior to incurring or obligating THE COALITION. The Chief Executive Officer shall report at the next Board Meeting, any expenditures, or contracts which he/she expends or enters into in connection with this specific authorization. In no event shall the Chief Executive Officer obligate THE COALITION to any multiyear contracts that require the expenditure of $25,000 for more than one year that is not presented and approved by the Board.

* 1. Nothing in this policy and procedure diminishes or otherwise eliminates the Chief Executive Officer’s obligations to disclose and obtain proper approval of any conflict-of-interest expenditure or any transaction in which he/she has a personal interest.
	2. Signed checks shall be returned to the accounting department and will be mailed immediately. Any checks that have not been mailed or distributed will be put under lock and key at the end of each day but shall not be maintained for more than three business days.
1. Upon termination/resignation of the Chief Executive Officer or Board Officers, authorization to act on behalf of THE COALITION is revoked.

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| **POLICY TITLE:** **Segregation of Financial Duties** | **POLICY SECTION:****F-GEN** |
| **DEPARTMENT: Finance** | **EFFECTIVE DATE: 7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** | **REVISION DATE:** |

**POLICY:**

THE COALITION will safeguard and implement segregation of duties over the bank reconciliation process.

**PROCEDURE:**

1. A digital copy of the bank statement is provided to the CEO for review. The CEO reviews and approves the bank statements as indicated by a signature or initials. Approved Bank statements are placed in the accounting- restricted server folder. See Other Administrative Policies at F-ADMI.
2. The Accounting Coordinator reconciles bank statements in accounting software and sends a copy of Reconciliation Detail to Director of Finance for approval. The Director of Finance signs to signify approval.
3. Access to online banking is limited and secured. Accounts are password protected and a multistep verification is utilized to secure the funds. The Office Manager and Accounting Coordinator can only view bank account activity.
4. The Director of Finance can complete an electronic funds transfer (EFT) with prior Board approval for monthly rent and a bank transfer to pay company credit cards only with prior CEO approval on all purchases being paid.

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| **POLICY TITLE:****[Credit Cards](#_bookmark1)** | **POLICY SECTION:****F-CRED** |
| **DEPARTMENT:** **Finance** | **EFFECTIVE DATE:****7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** | **REVISION DATE:** |

## POLICY:

THE COALITION may maintain credit cards and overall credit limits as approved by the Finance Committee and Board of Directors.

## PROCEDURE:

1. The Chief Executive Officer may issue corporate credit cards to appropriate staff members who may need to use such cards for THE COALITION business expenses and or other uses authorized by the Chief Executive Officer. Non-business charges to the corporate card are not allowed and such unauthorized use may be subject to disciplinary action and loss of credit card privileges. Charges made using the corporate credit card must be supported by adequate documentation and a copy given to the Office Manager as the custodian of the corporate credit card. Any staff person not providing such documentation in a timely manner, will lose corporate credit card privileges.

A corporate credit card is in the custody of the Office Manager and is to be used for on-line and in person purchases as needed.

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| **POLICY TITLE: Cash Receipt Processing** | **POLICY SECTION:****F-CR** |
| **DEPARTMENT: Finance** | **EFFECTIVE DATE: 7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** | **REVISION DATE:** |

**POLICY:**

The COALITION receives funds from a variety of sources including grant funding, donations, as well as other sources.

**PROCEDURE:**

*Paper Checks:*

1. Money that comes in the forms of paper checks to the office are opened by the Administrative Assistant and entered on the check log.
2. Check copies and checks are then given to the Accounting Coordinator. A deposit slip is created and supporting documentation is attached (deposit slip and copy of the check) and then the Accounting Coordinator gives the deposit to the Office Manager to bring to the bank.
3. Copies of deposit slip and supporting documentation are forwarded to the Director of Finance.
4. The Director of Finance records all deposit information into accounting software after the Office Manager supplies the receipt form the deposit being made at the bank..

*Gift Cards:*

Gift Cards received are considered donations, either restricted or unrestricted and must follow the same policy as other donations. Requests to use Gift Cards will follow the same procedures as Credit Cards.

Copies of supporting documentation are maintained in the accounting records.

*ACH:*

1. The accounting team has access to the bank accounts online and checks for incoming ACH receipts daily.
2. The Director of Finance records all deposit information into accounting software.
3. Deposits are reviewed and signed off by the Accounting Coordinator.
4. Bank statements are reconciled and reviewed monthly by the Director of Finance and signed off/ initialed as an indication of approval.

**NOTES:**

THE COALITION will follow the stated wishes of the donor when applying a donation to a cost center for the provision of a specified service. Receipts are provided to donors indicating date, purpose(s) of donations and restricted or non-restrictive information.

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| **POLICY TITLE:****[Accounts Receivable/Billing](#_bookmark1)** |  **POLICY SECTION:** **F-AR** |
| **DEPARTMENT:****Finance** |  **EFFECTIVE DATE:** **7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** |  **REVISION DATE:** |

## Policy:

THE COALITION records revenue when the earning process is substantially complete, and the goods have been delivered or services performed. Meeting revenues and donations are recognized when the monies are received. Revenue from grants is earned as required under the grant agreement. Unearned revenues are deferred until grant requirements are met. Contingency funds are deferred until released by the Healthy Start MomCare Network.

## Procedure:

When THE COALITION earns revenues, the amount is recorded and coded to the specific program. An accounts receivable is recorded. Amounts are billed at specific contracted dates (i.e. monthly, quarterly, etc.) with required grant invoices/reports and supporting documentation as required by grantor. **See Grant reporting at FG-MANA for further detail.**

When payment is received for the other receivables, it is entered into the accounting software. Other receivables are reviewed periodically for collectability.

*Bad Debt/ Write-Off*

All available means shall be used to collect accounts receivable before write-off procedures are initiated.

If a receivable is deemed uncollectible, the Finance Department is required to bring it to the CEO for approval before write-off implementation. The Finance Department shall write off any bad debts after CEO approval.

A listing of all write offs for the current month should be included with the monthly financial statements.

If write-off procedures have been initiated, the following accounting treatment applies:

* Invoices written off that are dated during the current year will be treated as a reduction of the appropriate revenue account.
* Invoices written off that are dated prior to the current year will be treated as bad debt.

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| **POLICY TITLE:****[Travel Expenses](#_bookmark1)** |  **POLICY SECTION:** **F-TRAV** |
| **DEPARTMENT:****Finance** |  **EFFECTIVE DATE:** **7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** |  **REVISION DATE:** |

## POLICY:

THE COMPANY will reimburse and, in some instances, prepay travel expenses incurred while conducting THE COALITION business activities.

## PROCEDURES:

1. All out-of-region travel by THE COALITION staff shall be pre-authorized by the Chief Executive Officer using the approved travel authorization form. This form can be found by request from the Director of Finance or the Accounting Coordinator. Staff will use the approved FL DOH travel request and reimbursement forms.
2. Travel by THE COALITION staff will be reimbursed at the federal rate. Any funds above the rates established for State of Florida employees, (Florida Statutes, Chapter 112.061, Per Diem and travel expenses of public officers, employees and authorized persons is hereby incorporated by reference) will be reimbursed with non-state funds. THE COALITION employees shall submit a travel reimbursement form with original receipts and documentation showing the actual mileage of the trip. Mileage may be documented based upon a recognized source such as MapQuest or Google, in which case a printout from the reference source that clearly indicates the address of origin and of the destination and the number of miles to get from one to the other must be submitted with the reimbursement form. Travel reimbursement forms must be approved by the employee’s supervisor. Following approval, forms will be submitted to accounting team for payment. Travel reimbursement shall be paid with the next scheduled check printing. The CEO shall approve payment prior to disbursement.
3. Use of the corporate credit card by THE COALITION staff is at the sole discretion of the Chief Executive Officer. If the Chief Executive Officer determines that a staff member may use the corporate credit card for travel, the employee must provide adequate documentation to the accounting team to maintain corporate credit card privileges. Charges for personal expenses is prohibited and will result in disciplinary action.

THE COALITION does not pay for travel to and from home to the office. If employees use their vehicles for business travel, mileage will be reimbursed as per the State of Florida published policies, rates and for appropriate parking fees. THE COALITION will not be responsible for, maintenance, traffic, or parking violations.

1. THE COALITION will not reimburse expenses that are not allowable per the state of Florida travel policies including, but not limited to:
	* Personal travel insurance
	* Personal reading materials
	* Adult Beverages
	* Childcare
	* Toiletries, cosmetics, or grooming products
	* Expenses occurred by spouses, children, or relatives
	* In-room movies or video games
	* Sporting activities, shows, etc.
2. Out-of-region travel reimbursement forms will be approved by a COALITION Board Officer following completion of travel by the Chief Executive Officer.

**See “Business and Travel Expense Reimbursement” policy in HR handbook for employment related details.**

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| **POLICY TITLE:****[Cost Allocation Methodology](#_bookmark1)** |  **POLICY SECTION:** **F-COST** |
| **DEPARTMENT:****Finance** |  **EFFECTIVE DATE:** **7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** |  **REVISION DATE:** |

## POLICY:

1. **Introduction**

THE COALITION will keep track of expenses based on cost center and shares and reports expenses as accurately as possible. Many expenses are distributed based on the population served. The cost allocation methodology is based on the historical breakdown of our clients. The COALITION typically serves 70% Medicaid clients and 30% non-Medicaid clients.

## PROCEDURES:

1. **Cost Allocation Methodology**

Three common ways to allocate indirect cost are square footage, time incurred by staff, and number of employees. Identified overhead expenses incurred by THE COALITION and assigned a cost allocation method to those costs Shared administrative costs are allocated based on the percentage of FTE time on each cost center.

Any direct costs related to administrative services will be billed directly to the respective cost center.

Allocation of variable expenses (costs that may fluctuate from month-to-month based on activity) will be computed based on the amounts established in the budget.

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| **POLICY TITLE:**[**Petty**](#_bookmark1) **Cash Policy** |  **POLICY SECTION:** **F-PETTY** |
| **DEPARTMENT:****Finance** |  **EFFECTIVE DATE:** **7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** |  **REVISION DATE:** |

## POLICY:

1. **Introduction**

The following outlines the Petty Cash Policy of THE COALITION.

## PROCEDURES:

1. **Petty Cash Policy**

It is the policy of THE COALITION to maintain a petty cash fund of $450. It is the responsibility of the Finance Department and that person's designee to ensure that the petty cash fund is always under lock and key.

Disbursements from the petty cash fund may only be made for approved expenditures. A receipt must accompany every disbursement. The receipt must be signed by the person receiving the cash and the person disbursing the cash. A Petty Cash Receipt Book with duplicate will be used and the Finance Department will maintain a duplicate to ensure proper internal controls. The petty cash fund will be reconciled at least monthly and replenished as needed. The petty cash fund replenishment check will be made out to Petty Cash. The expenses will be reviewed, and the resulting check will be signed by those with check signing authority.

Petty Cash funs may not be utilized for the payment for services to employees.

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| **POLICY TITLE: Cash Disbursements/ Accounts payable** | **POLICY SECTION:****F-AP** |
| **DEPARTMENT: Finance** | **EFFECTIVE DATE: 7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** | **REVISION DATE:** |

## POLICY:

The COALITION authorizes the CEO, Board President, Treasurer, Vice President or Secretary to sign checks. Anyone signing a check must review and initial the supporting invoice or other documentation. Individuals may not sign a check payable to themselves.

The accounting team will maintain the accounts payable system. All purchases of goods and services will be recorded in the accounting system in the appropriate accounting period and properly classified (as determined by THE COALITION’S employees). Adequate records will be maintained to provide information regarding outstanding payables, payment due dates and indication of duplicate or potentially improper payments. All purchases of any type must be attributable to the business operations of THE COALITION. The CEO authorizes all purchases. In emergency situations, or in the absence of the CEO, the President will authorize the purchase above $500. The Director of Finance has the authority to purchase up to $500 without prior approval from the CEO

All check disbursements will require approved invoices, or expense vouchers and will have a completed Check Request form attached. As outlined and approved by the Board and Executive/Finance Committee, checks will require the signature stamp of the Board Treasurer used only for checks $ 15,000 and under along with an original signature, Board Member or CEO. Checks $ 15,001 and over will require two original signatures, Board Member(s) and/or CEO. The CEO will review the check register from the accounting system and the copy of the report with each check batch for checks created check sequence and to review the backup for accuracy.

**PROCEDURE:**

1. The COALITION’s employees send approved invoices with signed check request to the accounting team to be entered into accounting software. The accounting team will code all check requests accordingly following the prior Board approved budget This includes credit card transactions receipts that are approved accordingly.
2. The accounting team saves a copy of the approved invoices in the accounting records. Approved credit card receipts are also maintained in the accounting records.
3. The accounting team enters invoices with appropriate coding into accounting software and ensures that all supporting documents are presented and at least two authorized signatures are on the invoice.
4. For invoices and credit card transactions that are prepaid all invoices are used as source documentation and maintained.
5. Vendor payments are recorded in the “Active Vendor Schedule” in the accounting records to provide a record of regular monthly payments made. This schedule is used to determine if any monthly payments are missing.
6. The accounting team reviews data entry or import of invoices into general ledger. Quality control checks for coding errors, effective dates, invoice numbers, etc. are performed and signed off. The accounting team verifies all corrections are made in the accounting system.
7. Paper checks are printed. The checks are then attached to a paper copy of the approved invoice and batched to be given to the CEO for approval.
8. *If electronic payment*, the accounting team creates ACH in online banking account and, before releasing the payment, sends a copy to CEO for approval. Upon approval by the CEO, ACH is released in the online banking account by the accounting team. A copy of the approved ACH is saved in the accounting records.
	1. An ACH form must be completed to receive payments electronically, the vendor must print, complete the form, attach a voided check (not necessary, but recommended) and returned to THE COALITION. The accounting team will verify changes via a phone call.
9. *If Credit Card transactions*, the approved invoice/receipt is entered into the Credit Card Transaction List in accounting records. The charge is then entered into accounting software.
10. The accounting team reconciles the credit card statement in the accounting software and sends the Reconciliation Detail to CEO for approval, indicated by CEO signature/initials.
11. Once approved, the accounting team saves the approved Reconciliation Detail in the accounting records and pays with the credit card statement via online account. The accounting team then saves payment confirmation in record retention software.

**NOTES:**

All checks on THE COALITION’S bank accounts are pre-numbered and are continually monitored to ensure that no sequential number is missing. Voided or spoiled checks are marked as such and are retained until the next independent audit. Unissued blank checks are safeguarded in a locked file.

**Additional controls:**

* Consulting services must be approved by the CEO who will require all proposals to clearly state the cost, the scope of services and a not-to-exceed amount for the services rendered. An employee or a member of the Board shall not be employed as a paid consultant.
* All independent contractors, including consultants, must complete an IRS Form W-9 upon signing any agreement for contracted services. The requirement to submit this form will be included in all independent contractor agreements with the stipulation that this requirement must be met for the agreement to be valid. To avoid incorrect tax reporting, entry for payment of any consultant will not be made in the accounting system until the Form W-9 is received by the accounting team.
* It is the policy of THE COALITION not to do business with relatives of the staff or Board. This policy may be waived in exceptional circumstances with the approval of the Finance Committee. The exceptional circumstances must be clearly documented, and appropriate safeguards put in place to ensure there are no direct lines of supervision which may cause a real or perceived conflict of interest.
* All staff members and members of the Board of Directors of THE COALITION who are engaged in recommending or approving the procurement or purchase of any item or service shall strictly adhere to the following guidelines:
	+ No gift or payments of any kind may be solicited or accepted from any vendor in exchange for the recommendation or selection of that vendor’s goods or services. Any conflict of interest existing for any staff or Board member who is involved in recommending or approving procurement of any good or services for THE COALITION shall be identified by that staff or Board member and he/she shall refrain from continuing to be involved in the transaction or possible transaction. Such conflict of interest will not necessarily disqualify the effected vendor subject to the determination of the Director of Finance or Board of Directors (as appropriate) that the conflict of interest is not material or that disapproval of the vendor would be detrimental to THE COALITION.
	+ THE COALITION will utilize the purchasing program of the State of Florida (PRIDE) to the extent possible for all purchases made under contracts of which this is a requirement. Where supplies and services are not available, the price is higher, the deadline cannot be met, or quality is not sufficient for such purchases through the state program, best efforts to obtain such supplies and services for use in the contract at the lowest practical cost and to purchase by means of a system of competitive bidding (see above) whenever required by law and whenever practical, even if not required by law.

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| **POLICY TITLE:****[Chart of Accounts w/ Narrative](#_bookmark1)** |  **POLICY SECTION:** **F-CHAR** |
| **DEPARTMENT:****Finance** |  **EFFECTIVE DATE:** **7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** |  **REVISION DATE:** |

## POLICY:

THE COALITION’s financial position must be represented in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America and the Governmental Accounting Standards Board (GASB). THE COALITION ensures proper recording and classification by properly maintaining the Chart of Accounts of the General Ledger and overseeing account setup and the assignment of attributes to accounts.

## PROCEDURES:

The Director Finance and accounting team together are responsible for ensuring the proper recording and classification of all revenues, expenses, assets, liabilities, and fund balances. Any requests to change attributes on accounts or to set up new accounts must be reviewed and approved by the Director of Finance.

## Chart of Accounts

The Chart of Accounts is structured to allow for expanding or deleting accounts to satisfy THE COALITION’s requirements while preserving uniformity and consistency in recording and reporting financial information. The following is a list of accounts categories that are available for coding transactions in the accounting system:

1000-1990 Assets

2000-2999 Liabilities

3000-3100 Fund Balance

4000-4999 Revenues

5000-8999 Expenditures

The general ledger is automated and maintained using THE COALITION’s accounting software. The Director of Finance and the accounting team shall review the general ledger and chart of accounts on a periodic basis for any unusual transactions.

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| **POLICY TITLE:****[Budget](#_bookmark1)** |  **POLICY SECTION:** **F-BUDG** |
| **DEPARTMENT:****Finance** |  **EFFECTIVE DATE:** **7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** |  **REVISION DATE:** |

## POLICY:

THE COALITION prepares and adopts an annual budget before the beginning of the fiscal year. The budget is revised only if approved by the Board.

## PROCEDURE:

1. The Director of Finance and the accounting team will develop an annual operating budget.
2. The Director of Finance and the accounting team will present the proposed budget to the CEO for final review. The Finance Committee will review and approve and submit to the Board.
3. Once approved by the Finance Committee, the Chief Executive Officer and the Finance Committee will present the proposed budget to the Board in May or earlier for the next fiscal year.

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| **POLICY TITLE:** **Payroll Processing** | **POLICY SECTION:****F-PR** |
| **DEPARTMENT: Finance** | **EFFECTIVE DATE: 7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** | **REVISION DATE:** |

**POLICY:**

COALITION uses a PEO and does not process payroll.

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| **POLICY TITLE:** **Close Out Processes**  | **POLICY SECTION:****F-CLOSE** |
| **DEPARTMENT:** **Finance** | **EFFECTIVE DATE:** **7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** | **REVISION DATE:** |

## POLICY:

Month-end close is performed by the Director of Finance. Monthly statements are submitted to the Finance Committee for approval and then the Board for final approval.

**PROCEDURES:**

1. The Director of Finance:
	1. Prepares accruals and adjustments in the general ledger as needed for monthly financial statements.
	2. Batches Monthly/ Quarterly AJES and prints with references to WPs that support AJEs. AJES are reviewed and approved by the Director of Finance.
	3. Prepares monthly reconciliation of general ledger accounts and ties to support in record retention filing system.
	4. Prepares financial statements monthly.
	5. Performs quality control checks of financial statements and workpapers. Analyzes budget to actual monthly.
2. The Finance Committee and Board reviews and approves Monthly Financial statements

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| **POLICY TITLE:****[Financial Reporting – Internal](#_bookmark1)** |  **POLICY SECTION:** **F-INFR** |
| **DEPARTMENT:****Finance** |  **EFFECTIVE DATE:** **7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** |  **REVISION DATE:** |

## POLICY:

THE COALITION prepares monthly financial statements under generally accepted accounting principles for the Finance Committee and Board of Directors to review.

## PROCEDURE:

 THE COALITION’S fiscal year is July 1 through June 30 of each year.

The accounting software is password protected with full access granted to the Director of Finance and the Accounting Team and CEO.

Each balance sheet account is reconciled to the financial statements by the Director of Finance. Any variances are reviewed, noted, and corrected as needed. Balances and support are reviewed by an accounting manager.

Financial statements are made available by the 11th day of the 2nd following month. (for example: January Financial Statements are available by March 11th).

The Finance Committee will review and discuss the statements during the monthly Finance Committee meeting. If the Finance Committee determines that there are no changes to the financial statements presented, a motion is made and seconded to accept the financial statements subject to the audit.

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| **POLICY TITLE:****[Financial Statement Audit](#_bookmark1)** | **POLICY SECTION:** **F-AUD** |
| **DEPARTMENT:****Finance** |  **EFFECTIVE DATE:** **7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** |  **REVISION DATE:** |

## POLICY:

1. THE COALITION will obtain the services of an independent certified public accountant to conduct the annual audit and the single audit as required by grantors. It is the policy of THE COALITION to contract for an independent audit of agency records for each fiscal year. The Coalition will contract with the CPA firm selected to audit THE COALTION for a period not to exceed five years unless approved by the Executive Finance Committee.
2. At the end of this period, with the assistance of staff, a request for proposal (RFP) will be completed for CPA firms specializing in auditing not-for-profit organizations. An independent committee will make a recommendation to the Board of Directors for final selection. Re-awarding the contract for auditing services to the existing auditing firm is acceptable as long as the interview and selection criteria clearly indicate the firm is the most qualified and cost-effective.

## PROCEDURE:

1. THE COALITION staff and accounting team shall make available financial records during the fiscal year to permit preliminary work.
2. The audit will be conducted on a timely basis with a complete report, if necessary, including a Management Letter which shall be submitted to THE COALITION Board no later than its January Meeting.
3. It shall be the responsibility of the Finance Committee to review the audit report, recommend approval to the full Board and provide direction to THE COALITION staff regarding recommendations contained therein.
4. Additionally, with Board of Director’s approval, the contract awarding the audit to the CPA firm for a maximum five-year period will have a clause allowing THE COALITION to contract with another firm before the end of the contract period if the current firm provides unsatisfactory service of if the financial condition of THE COALITION prohibits the expense of a full audit.
5. Information for each fiscal year is typically available 6‐8 months following the conclusion of a fiscal year.
6. Grant agreements may require submission of hard copy or electronic copy of the audited financial statements once available. The accounting team distributes the audited financial statements and is responsible with the Chief Executive Officer for ensuring compliance with the grant agreement.

If a CPA management letter is produced, it is to be discussed with representatives of the auditing firm and with direct staff as to the appropriate action required to correct any deficiencies addressed. Distribution of the management letter to individuals or firms other than those intitled to a copy by contractual obligation is left to the discretion of the CEO.

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| **POLICY TITLE:****[Property Records](#_bookmark1)** |  **POLICY SECTION:** **F-PROP** |
| **DEPARTMENT:****Finance** |  **EFFECTIVE DATE:** **7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** |  **REVISION DATE:** |

## POLICY:

THE COALITION will maintain a detail list of property and equipment to safeguard its assets.

## PROCEDURE:

1. A record will be maintained of all items of equipment owned or leased by THE COALITION. The record will include equipment having a useful life of more than one (1) year and an acquisition cost of $1,000 or more per unit.
2. The total of property and equipment acquisition cost on the property record shall balance with the property and equipment account of the general ledger. The equipment will be physically inventoried annually and checked against property records.
3. Property valued in excess of $10,000 will not be disposed of without prior approval of the Finance Committee and in accordance with governing regulations.
4. Depreciation will be calculated using the straight-line method over its estimated useful life.

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| **POLICY TITLE:****[Government Filings](#_bookmark1)** |  **POLICY SECTION:** **F-GOVT** |
| **DEPARTMENT:****Finance** |  **EFFECTIVE DATE:** **7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** |  **REVISION DATE:** |

## POLICY:

THE COALITION will ensure that all government filings are made timely.

## PROCEDURE:

* 1. This responsibility will be delegated to the accounting team, independent auditor and PEO, depending on the required filing.
	2. Governmental filings include, but are not limited to, the following:
		1. RT 6 – State of Florida Department of Labor and Employment Security, Division of Unemployment Compensation RT 6 copy to Worker’s Comp carrier (due 45 days after the end of the quarter) -PEO
		2. 990 Federal Tax Forms (IRS) -Auditor and Director of Finance
		3. Form 2758 used to file for Extension of 990 -Auditor
		4. 1096 used to file 1099 (for unincorporated individuals over $600) -Director of Finance
		5. W-3 used to file W-2s. -PEO
		6. Employer’s Quarterly Federal 941 -PEO
		7. Employer’s Annual Federal Unemployment (FUTA) 941 -PEO
	3. In the event THE COALITION is required to collect sales tax on items sold by THE COALITION, THE COALITION will submit timely sales tax reports and payments to the State of Florida on its authorized schedule.

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| **POLICY TITLE:****[Taxes](#_bookmark1)** |  **POLICY SECTION:** **F-TAX** |
| **DEPARTMENT:****Finance** |  **EFFECTIVE DATE:** **7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** |  **REVISION DATE:** |

## POLICY:

THE COALITION will comply with all federal and state tax reporting requirements.

## PROCEDURE:

1. THE COALITION is a 501(c)(3) not-for-profit corporation and therefore exempt from income taxes and from sales tax on its purchases in the State of Florida. All purchases will be made using this non-taxable status where possible.
2. As required by the IRS, THE COALITION will complete and file form 990, Return of Organization Exempt Form Income Tax.
3. The 990 will be completed by an outside CPA firm.
4. The CEO will be responsible to sign the 990 after preparation and review by the CPA firm and the Director of Finance.
5. The 990 will be reviewed by the Finance Committee and submitted to the Board of Directors for approval prior to filing.

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| **POLICY TITLE:****[Other Administrative Policies](#_bookmark1)** |  **POLICY SECTION:** **F-ADMI** |
| **DEPARTMENT:****Finance** |  **EFFECTIVE DATE:** **7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** |  **REVISION DATE:** |

## Mail

* All mail will be stamped “Received” when opened.
* Postage will ordinarily be applied to outgoing mail. THE COALITION projects and contracts will be charged for postage either directly or on a pro-rata basis.
* Overnight mail services will be used judiciously and only when required.

## Insurance

THE COALITION will maintain: 1) fire and extended coverage in an amount sufficient to cover the value of all property and equipment owned by the Coalition; 2) comprehensive general liability insurance; 3) professional liability insurance; 4) blanket position bond with limits of liability as required by state contract; 5) workers’ compensation insurance; 6) directors’ and officers’ insurance, and 7) cyber liability.

## Federal Identification Number

## The Federal Identification Number will be available as needed or required. Availability will not be unreasonably withheld.

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| **POLICY TITLE:****[Records Retention and Destruction](#_bookmark0)** |  **POLICY SECTION:** **G-RECO** |
| **DEPARTMENT:****Management** |  **EFFECTIVE DATE:** **7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** |  **REVISION DATE:** |

It is the intent of THE COALITION to establish an ongoing, coordinated administrative effort to systematically manage documents and records. The purpose of this policy is to ensure that documents are secure, accessible, maintained and destroyed according to business practices that are practical, while still meeting the legal requirement applicable to the Coalition. In addition, the policy provides administrative personnel information about the recommended minimum requirements for document retention. These guidelines apply to both electronic and paper copy documents.

THE COALITION’s staff is responsible for preserving the safety and confidentiality of documents in THE COALITION’s possession. Documents should be easily accessible by THE COALITION’s administration to provide for the security and preservation of the documents, as well as their usefulness to THE COALITION.

The COALITION will allow members and the public at large to inspect records of the coalition. Records will be preserved and made available in accordance with the Florida Public Records Act (Chapter 119, F.S.)

Documents should be maintained until the end of the identified retention period and should then be destroyed in an appropriate manner. Sensitive documents such as those containing financial, account or personnel information should be destroyed with no reasonable risk of the information being recovered.

*All permitted document destruction shall halt if THE* COALITION *is being investigated by a government law enforcement agency and routine destruction shall not resume without the written approval or legal counsel.*

The retention period for documents is 7 years, unless specified by a contract otherwise.

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| **Policy Title:****Procurement** |  **POLICY SECTION:** **FG-CONT** |
| **DEPARTMENT:****Finance** |  **EFFECTIVE DATE:** **7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** |  **REVISION DATE:** |

## PROCEDURES:

Competitive bidding processes required by any contract or program under which THE COALITION is bound will be followed per requirements of that contract or program. The following competitive bidding practices will be followed in the absence of any such contract or program requirements:

* 1. Items under $5,000 no bidding required.
	2. Items costing over $5,000 but less than $10,000 telephone bids from at least three vendors for the same or comparable goods.
	3. Items costing over $10,000 but less than $50,000 written bids from at least three vendors for the same or comparable goods. Prior Board budget approval needed for any purchases greater than $10,000.
1. Sole source can be used only when one of the following circumstances apply:
	1. The item or service is available only from a single source.
	2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
	3. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
	4. After solicitation of a number of sources, competition is determined inadequate.
2. Exceptions to the above include expenditures for emergency situations, the need to hire temporary personnel, purchase of licensed computer software, renewals for computer maintenance renewals, purchases from sole source vendors, and large-scale purchases required to facilitate community outreach and training events. Any costs associated with these exceptions shall be reported by Coalition staff to the Executive/Finance Committee.
3. THE COALITION may also “piggyback” on a procurement that has taken place by another government agency or funding partner for that similar service.
4. Retention of records sufficient to detail the history of procurement, including, but not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selectin or rejection and the basis for the contract price will be maintained by THE COALITION.

THE COALITION is required by the Florida Dept of Health to have a Procurement Policy related to Healthy Start Services. It is the intent of the Coalition to conduct a competitive procurement at intervals for those services. However, the COALITION Board may choose to maintaint the current system of Healthy Start service providers if they feel it is in the best interest of the community. There also may be situations where The COALITION does not have the workforce capacity to adequately fulfill all the grant objectives and must seek out vendors or contractors to perform certain functions. These activities will be obligated in the form of a contract.

CONTRACT INFORMATION

A contract is for the purpose of obtaining services for an entity’s own use and creates a procurement relationship with the contractor.

*Request for Qualifications (RFQ) and Request for Proposals (RFP)*

1. When preparing an RFQ or RFP for a grant-funded project, it is essential to incorporate any requirements specific to the grant agreement. Some grants include specific processes for procurement, evaluation, and selection of contractors. Failure to adhere to these requirements can result in loss of funding.
2. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any responses to RFPs must be considered to the extent practical.
3. Proposals shall be solicited.
4. There must be a written method for conducting evaluations of the proposals received and for selecting recipients.
5. The COALITION uses subject matter experts from the community to rate the proposals.
6. Contracts must be awarded to the responsible providers/vendor whose proposal is most advantageous to the program, with price and other factors considered.

FEDERAL AWARD REQUIREMENTS

Additionally, for federal awards, the procurement requirements set forth in the Uniform Guidance

§200.318‐200.321, §200.323, §200.324 must be followed.

SUSPENSION AND DEBARMENT

THE COALITION and its-sub recipients shall not award grant assistance to applicants that are debarred or suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549.

A person or entity debarred or suspended is excluded from federal financial and non‐financial assistance and benefits under federal programs and activities. Debarment or suspension of a participant in a program by one federal agency has government‐wide, reciprocal effect.

* The managing department shall ensure that the federal Excluded Parties List System (EPLS) site and the state Convicted/Suspended/Discriminatory/Complaints Vendor Lists are checked prior to entering into any contractual relationship or use of services.
	1. The System for Award Management (SAM) is the official federal EPLS. It is accessed at: https://sam.gov/content/home
	2. Convicted, Suspended, Discriminatory, Complaints Vendor Lists for the State of Florida are accessed at:

https://www.dms.myflorida.com/business\_operations/state\_purchasing/state\_agency\_resources/vendor\_registration\_and\_vendor\_lists/

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| **Policy Title:****[Sub-recipient Information](#_bookmark2)** |  **POLICY SECTION:** **FG-SUBR** |
| **DEPARTMENT:****Finance** |  **EFFECTIVE DATE:** **7/1/22** |
| **ORIGINAL BOARD APPROVAL DATE:** |  **REVISION DATE:** |

A sub recipient is an entity that expends funds received from a pass‐through entity to carry out a program but does not include an individual that is a beneficiary of such a program.

Characteristics of a sub recipient:

* Receiving entity determines who is eligible to receive financial assistance.
* Has its performance measured against whether the objectives of the program are met
* Has responsibility for programmatic decision making.
* Has responsibility for adherence to applicable program compliance requirements.
* Uses the funds to carry out a program of the organization, as opposed to providing goods or services for the benefit of the pass‐through entity.

SUBRECIPIENT MONITORING

THE COALITON’S sub-recipient monitoring shall follow the regulations and guidance set forth in §200.330 ‐§200.332 of the Uniform Guidance for Federal Awards. THE COALTION shall also adhere to the requirements for pass‐through entities as described in these sections, including:

1. Ensure that every sub-award is clearly identified to the sub-recipient as a sub-award and includes the following information at the time of the sub-award and if any of these data elements change, include the changes in subsequent sub-award modification. When some of this information is not available, the pass‐through entity must provide the best information available to describe the Federal award and sub-award. Required information can be found in §200.331.
2. Evaluate each sub-recipient’s risk of noncompliance with Federal, State, and County statutes, regulations and the terms and conditions of the sub-award for purposes of determining the appropriate sub recipient monitoring as described below:
	1. The sub-recipient’s prior experience with the same or similar awards.
	2. The results of previous audits including whether or not the sub-recipient receives a Single Audit in accordance with Subpart F of the Uniform Guidance for Federal Awards, and the extent to which the same or similar sub-award has been audited as a major program.
	3. Whether the sub-recipient has new personnel or new or substantially changed systems.
	4. The extent and results of Federal awarding agency monitoring (e.g. if the sub- recipient also receives Federal awards directly from a Federal awarding agency)
	5. The extent and results of Federal awarding agency monitoring (e.g. if the sub- recipient also receives Federal awards directly from a Federal awarding agency).
3. Consider imposing specific sub-award conditions upon a sub-recipient if appropriate as described in §200.207 of the Uniform Guidance for Federal Awards and below.
	1. Requiring payments as reimbursements rather than advance payments.
	2. Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance.
	3. Requiring additional more detailed financial reports.
	4. Requiring additional project monitoring.
	5. Requiring additional technical or management experience.
	6. Establishing additional prior approvals.
4. If additional conditions are imposed on a sub-recipient, the pass‐through entity must notify the applicant of the following.
	1. The nature of the additional requirements.
	2. The reason why the additional requirements are being imposed.
	3. The nature of the action needed to remove the additional requirement, if applicable
	4. The time allowed for completing the actions, if applicable.
	5. The method for requesting reconsideration of the additional requirements imposed.
5. Monitor the activities of the sub-recipient as necessary to ensure that the sub-award is used for authorized purposes, in compliance with Federal statutes, regulations and the terms and conditions of the sub-award; and that sub-award performance goals are achieved.
6. Utilize the monitoring tools as described below dependent on the assessment of risk.
	1. Providing sub-recipients with training and technical assistance on program‐related matters.
	2. Performing on‐site reviews of the sub-recipient’s program operations.
	3. Arranging for agreed‐upon procedures engagements as described in §200.425 of the Uniform Guidance for Federal Awards.
7. Verify that every sub-recipient is audited as required by Subpart F of the Uniform Guidance for Federal Awards when it is expected that the sub-recipient’s Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501
8. Consider whether the results of the sub-recipient’s audits, on‐site reviews or other monitoring indicate conditions that necessitate adjustments to the pass‐through entity’s own records.
9. If it is determined that noncompliance cannot be remedied by imposing additional conditions, consider taking enforcement action against noncompliant sub recipients as described below.
	1. Temporarily withhold cash payments pending correction of the deficiency.
	2. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
	3. Wholly or partly suspend or terminate the award.
	4. Recommend to Federal awarding agency initiation of suspension or debarment proceedings.
	5. Withhold further awards for the project or program.
	6. Take other remedies that may be legally available.

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| **Policy Title:****[Year End Procedures](#_bookmark2)** |  **POLICY SECTION:** **FG-YEAR** |
| **DEPARTMENT:****Finance** |  **EFFECTIVE DATE:** **7/1/22** |
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ANNUAL BUDGET CARRYFORWARDS

THE COALITION’S fiscal year is July 1 through June 30 of each year.

Each fiscal year‐end (June 30), the Director of Finance must review with the accounting team the status of reimbursement requests and calculate any required revenue accruals. For grant eligible expenditures for which the corresponding revenue has not yet been received, a revenue accrual must be recorded within the Finance System. When the reimbursement is received, the accrual will be satisfied via Finance action. (When the revenue is received, it is necessary for the Chief Executive Officer and the accounting team to effectively communicate that the revenue received is an accrual from the previous fiscal year so that it is credited appropriately).

The Director of Finance and accounting team should report any expected revenue amounts for grant expenditures made prior to June 30 but for which the revenue might not be received by the close of 13th period (July 31). Any applicable period ending June 30th invoices that may be paid in 13th period (July) must be considered.