



Accounting & Financial Policies Manual

INTRODUCTION

This manual is intended to provide an overview of the accounting policies applicable to the Children's Forum, Inc., which shall be referred to as "Children's Forum, Inc." or "the Organization" throughout this manual.

The **Children's Forum** is incorporated in the state of Florida and is exempt from federal income taxes under IRC Section 501(c)(3) as a nonprofit corporation. Children's Forum, Inc.'s tax-exempt mission is:

To provide leadership and advocacy for affordable quality early care and education for all children.

This manual shall document the financial operations of the Organization. Its primary purpose is to formalize accounting policies and selected procedures for the accounting staff and to document internal controls.

Effective Date(s) of Accounting Policies

The effective date of all accounting policies described in this manual is January 1, 2004. If a policy is added or modified subsequent to this date, the effective date of the new/revised policy will be indicated immediately following the original approval date.

TABLE OF CONTENTS

Introduction

1. General Policies

- 1.1 Organizational Structure
- 1.2 Board Member Policy

2. Business Conduct

- 2.1 Ethical Behavior
- 2.2 Conflicts of Interest
- 2.3 Compliance with Laws, Regulations and Organization Policies
- 2.4 Fraud
- 2.5 Board/Auditors Disclosures

3. Security

- 3.1 Security of Records

4. General Ledger and Chart of Accounts

- 4.1 Accounting System
- 4.2 Distribution of Chart of Accounts
- 4.3 Control of Chart of Accounts
- 4.4 Fiscal Year of Organization

5. Revenues and Cash Receipts

- 5.1 Revenue Recognition
- 5.2 Receipts and Disclosures
- 5.3 Cash Receipts/Accounts Receivable
- 5.4 Credit Cards

6. Expenditures and Disbursements

- 6.1 Purchasing
- 6.2 Purchase Orders
- 6.3 Solicitation of Quotations from Vendors
- 6.4 Affirmative Consideration of Minority and Small Businesses
- 6.5 Special Purchasing Conditions
- 6.6 Vendor Files and Required Documentation
- 6.7 Ethical Conduct in Purchasing
- 6.8 Conflicts of Interest Prohibited

7. Political Intervention

- 7.1 Prohibited Expenditures
- 7.2 Endorsements of Candidates
- 7.3 Prohibited Use of Organization Assets and Resources

8. Accounts Payable Management

- 8.1 Accounts Payable
- 8.2 Accounts Payable Cut-off
- 8.3 Cost Allocation and Shared Costs
- 8.4 Employee Expense Reports
- 8.5 Travel Advances

8.6 Reasonableness of Travel Costs

9. Cash Disbursements

9.1 Check Preparation and EFT's

9.2 Check Signing

9.3 Voided Checks and Stop Payments

10. Payroll and Related Policies

10.1 Classification of Workers as Independent Contractors or Employees

10.2 Payroll Administration

11. Asset and Liability Accounts

11.1 Cash and Cash Management

11.2 Bank Reconciliations

11.3 Cash Flow Management

11.4 Stale Checks

12. Tangible Personal Property

12.1 Capitalization Policy

12.2 Property & Equipment Inventory

12.3 Depreciation and Useful Lives

12.4 Repairs of Capitalized Assets

12.5 Disposition of Tangible Personal Property

12.6 Classification of Leases

12.7 Accounting for Leases

12.8 Identification of Liabilities

12.9 Transfer of Property & Property Records

13. Financial and Tax Reporting

13.1 Financial Statements

13.2 Government Returns

13.3 Public Access to Information Returns

13.4 Unrelated Business Activities

14. Financial Management Policies

14.1 Budgeting

14.2 Annual Audit

14.3 Selecting an Auditor

14.4 Insurance

14.5 Record Retention

14.6 Contract Execution and Management

15. Policies Associated With Federal Awards

15.1 Administration of Federal Awards

15.2 Billing and Financial Reporting

15.3 Procurement Under Federal Awards

15.4 Contract Provisions

15.5 Sub awards

15.6 Equipment Purchased with Direct Federal Funds

15.7 Standards for Financial Management Systems

15.8 Budget and Program Revisions

15.9 Close Out of Federal Awards

15.10 Charging Costs to Federal Awards
15.11 Cost Sharing and Matching

1. GENERAL POLICIES

Policy: **Organizational Structure**

Policy Number: **1.1**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

Children's Forum, Inc. is governed by its Board of Directors, which is responsible for the oversight of the organization by:

1. Planning for the future
2. Establishing broad policies
3. Interpreting the organization's mission to the public
4. Contracting for the President/CEO

The Board of Directors is responsible for hiring and periodically evaluating the organization's President/CEO, who shall be responsible for the day-to-day oversight and management of Children's Forum, Inc.

The President/CEO is responsible for hiring and evaluating department managers for each of the organization's departments.

Within each department, department managers are responsible for hiring, with approval from the President/CEO, employees to work in that department. All employees within a department shall report directly to that department's manager, who shall be responsible for managing and evaluating all employees within the department.

The Fiscal department staff manages and processes financial information for Children's Forum, Inc. The positions comprising the Fiscal department of Children's Forum, Inc. are as follows:

Chief Financial Officer (CFO)
Contracts/Grants Manager
Fiscal Accounting Specialist (Payroll/AP)
Customer Service Coordinator (AR/Memberships/CEU's)
Fiscal Assistant(s)

The primary responsibilities of the Fiscal department consist of:

General Ledger
Budgeting
Cash and Investment Management
Asset Management
Grants and Contracts Administration
Purchasing
Accounts Receivable and Billing
Cash Receipts
Accounts Payable
Cash Disbursements

Payroll and Benefits
Financial Statement Processing
External Reporting of Financial Information
Bank Reconciliation
Reconciliation of Sub-Ledgers
Compliance with Government Reporting Requirements
Annual Audit
Leases
Insurance

Other officers and employees of Children's Forum who have financial responsibilities are the President/CEO and the Department Managers.

Policy: **Board Member Policy**

Policy Number: **1.2**

Date Approved: **09/28/12**

Date Revised:

Board members will serve without compensation. However, Board members will be reimbursed for reasonable expenses incurred in the performance of their duties, including attendance at board-authorized meetings and conferences.

It is also the policy of the Agency to prohibit loans to Board members. Checks, if any, written to a Board member would be reviewed to determine that it was for an Agency expense such as reimbursement of minor travel or related business expense related directly to the Agency.

2. BUSINESS CONDUCT

Policy: Ethical Behavior

Policy Number: 2.1

Date Approved: 01/01/04

Date Revised: 07/01/07

Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. The policies and reputation of Children's Forum, Inc. depend to a very large extent on the following considerations.

Each employee must apply her/his own sense of personal ethics, which should extend beyond compliance with applicable laws and regulations in business situations, to govern behavior where no existing regulation provides a guideline. It is each employee's responsibility to apply common sense in business decisions where specific rules do not provide all the answers.

In determining compliance with this standard in specific situations, employees should ask themselves the following questions:

1. Is my action legal?
2. Is my action ethical?
3. Does my action comply with Children's Forum, Inc. policy?
4. Am I sure my action does not appear inappropriate?
5. Am I sure that I would not be embarrassed or compromised if my action became known within the Organization or publicly?
6. Am I sure that my action meets my personal code of ethics and behavior?
7. Would I feel comfortable defending my actions on the 6 o'clock news?

Each employee should be able to answer "yes" to all of these questions before taking action.

Each Manager and supervisor is responsible for the ethical business behavior of her/his subordinates. Managers and supervisors must weigh carefully all courses of action suggested in ethical as well as economic terms, and base their final decisions on the guidelines provided by this policy as well as their personal sense of right and wrong.

Failure to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the Organization or to the government, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this policy will be afforded an opportunity to explain her/his actions before disciplinary action is taken.

Disciplinary action will be taken:

1. Against any employee who authorizes or participates directly in actions that are a violation of this policy.
2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.
3. Against any Manager or supervisor who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this policy.

Policy: Conflicts of Interest

Policy Number: 2.2

Date Approved: 01/01/04

Date Revised: 12/05/16

No employee, officer, or agent of the Children's Forum, Inc. shall participate in the selection, award, or administration of a contract involving the Children's Forum, Inc. if an actual (where a real act, event or transaction has occurred), potential (when an employee or his/her immediate family member(s) may receive benefits or profit directly or indirectly) or perceived (where the nature and circumstances of the event or transaction would lead a prudent person to believe a conflict exists or may exist) conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, or any member of her or his immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected.

Advance notification for outside activities, relationships, or financial interests shall be disclosed.

Failure to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the Organization or to the government, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this policy will be afforded an opportunity to explain her/his actions before disciplinary action is taken.

Disciplinary action will be taken:

1. Against any employee who authorizes or participates directly in actions that are a violation of this policy.
2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.
3. Against any Manager or supervisor who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this policy.

Policy: Compliance with Laws, Regulations and Organization Policies

Policy Number: 2.3

Date Approved: 01/01/04

Date Revised:

The Children's Forum, Inc. does not tolerate the willful violation or circumvention of any Federal, state, local, or foreign law by an employee during the course of that person's employment; nor does the Organization tolerate the disregard or circumvention of the Children's Forum, Inc. policy or engagement in unscrupulous dealings. Employees should not attempt to accomplish by indirect means, through agents or intermediaries, that which is directly forbidden.

Implementation of the provisions of this policy is one of the standards by which the performance of all levels of employees will be measured.

Failure to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the Organization or to the government, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this policy will be afforded an opportunity to explain her/his actions before disciplinary action is taken.

Disciplinary action will be taken:

1. Against any employee who authorizes or participates directly in actions that are a violation of this policy.
2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.
3. Against any Manager or supervisor who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this policy.

Policy: Fraud
Policy Number: 2.4
Date Approved: 01/01/04
Date Revised: 12/05/16

Scope

This policy applies to any fraud or suspected fraud involving employees, officers or managers, as well as members, vendors, consultants, contractors, funding sources and/or any other parties with a business relationship with the Children's Forum, Inc.. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship with the Children's Forum, Inc..

Policy

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity. All violations of federal criminal law involving fraud, bribery or gratuity violations potentially affecting a federal award will be disclosed in writing in accordance with 2 CFR Part 200.113.

Any fraud that is detected or suspected must be reported immediately to the President/CEO and to the Chief Financial Officer.

Actions Constituting Fraud

The terms fraud, defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

1. Any dishonest or fraudulent act
2. Forgery or alteration of any document or account belonging to Children's Forum, Inc.
3. Forgery or alteration of a check, bank draft, or any other financial document
4. Misappropriation of funds, securities, supplies, equipment, or other assets of Children's Forum, Inc.
5. Impropriety in the handling or reporting of money or financial transactions
6. Disclosing confidential and proprietary information to outside parties
7. Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to Children's Forum, Inc.. Exception: gifts less than \$25.00 in value.
8. Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment
9. Any similar or related irregularity

Other Irregularities

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by the departmental management and the Human Resources Consultant.

If there is a question as to whether an action constitutes fraud, contact the CFO for guidance.

Investigation Responsibilities

This Organization has a responsibility to investigate all suspected fraudulent acts as defined in the policy and may utilize whatever internal and/or external resources it considers necessary in conducting an investigation. If an investigation substantiates that fraudulent activities have occurred, the Organization will issue reports to appropriate designated personnel and, if appropriate, to the Board of Directors. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final dispositions of the case.

If suspected fraud or other wrongdoing involves programs funded in whole or in part with federal funds, additional responsibilities, such as special reporting and disclosure to the awarding agency, may apply to the Organization. It is the policy of Children's Forum, Inc. to fully comply with all additional reporting, disclosure and other requirements pertaining to suspected acts of fraud as described in award documents.

Confidentiality

The CFO shall treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the CEO or the CFO immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see **Reporting Procedures** section below).

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect Children's Forum, Inc. from potential civil liability.

Reporting Procedures

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact the CEO, or CFO immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation", "the crime", "the fraud", "the forgery", "the misappropriation", or any other specific reference.

The reporting individual should be informed of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Children's Forum, Inc. legal counsel.

Policy: **Board/Auditor Disclosures**

Policy Number: **2.5**

Date Approved: **09/28/12**

Date Revised: **5/02/13**

Management will disclose any pending or threatened lawsuits, claims, or assessments which may have an impact on the organization's finances and/or operating effectiveness and any related party transactions (such as leases, contracts, or other written agreements) to the Board of Directors and the Independent Auditors.

Upon disclosure of a related party transaction, real or perceived, it will be taken up by the Board of Directors for discussion and approval or disapproval. Any member of the Board who has a current or potential interest in any related party transaction will recuse him/herself and abstain from voting on the disposition of the transaction, but may, if so requested by the Chair or other members, participate in some or all of the Board's discussions of the related party transaction.

3. SECURITY OF RECORDS

Policy: **Security of Records**

Policy Number: **3.1**

Date Approved: **01/01/04**

Date Revised: **11/3/16**

Children's Forum, Inc. policies regarding security of records and information resources shall comply with requirements described in the Office of Early Learning's IT Security Policy 5.05.02.17, *Physical and Environmental Security*.

A lock shall be maintained on the door leading into the Payroll/AP Office. This door shall be closed and locked in the evenings and whenever the office is vacant. The key/combination to this lock will be provided to accounting personnel and the President/CEO. The lock will be changed whenever any of these individuals leaves the employment of Children's Forum, Inc.

The Children's Forum, Inc. blank check stock shall be stored in the locked Payroll/AP Office. Access shall be by keys in the possession of the CFO and the Fiscal Accounting Specialist.

Access to Electronically Stored Accounting Data

It is the policy of Children's Forum, Inc. to utilize passwords to restrict access to accounting software and data. Only duly authorized accounting personnel with data input responsibilities will be assigned passwords that allow access to the system.

Accounting personnel are expected to keep their passwords secret and to change their passwords on a regular basis, no less frequently than quarterly. Administration of passwords shall be performed by a responsible individual independent of programming functions.

Each password enables a user to gain access to only those software and data files necessary for each employee's required duties.

Storage of Back-Up Files

It is the policy of Children's Forum, Inc. to maintain back-up copies of electronic data files off-site in a secure environment. Access to back-up files shall be limited to individuals authorized by management.

Records Storage and Archives

Children's Forum, Inc. shall keep archival records per its formal records retention schedule off site, with all necessary safeguards in place, such as video surveillance, environmentally controlled vaulted storage with a generator backup, reinforced vault system. Records shall be easily retrievable and accessible upon request. Access to archival records shall be limited to individuals authorized by management.

General Office Security

During normal business hours, all visitors are required to check in with the receptionist. After hours, a security key is required for access to the offices of the Children's Forum, Inc. Keys are issued only to employees of the Children's Forum and contracted janitorial staff.

Policy: IT Security

Policy Number: 3.2

Date Approved:

Date Revised: 11/3/16

The following policies are developed in compliance with 2 CFR 200.335, *Methods for collection, transmission and storage of information*, Office of Early Learning IT Security Manual, Office of Early Learning Program Guidance 101.02, *Records Confidentiality* and IT Security Policy 5.05.02.17, *Physical and Environmental Security*, and Chapter 815, Computer-related Crimes, Florida Statutes.

All employees, contract employees, subcontractors, vendors and others who engage in official business with Children Forum, Inc. shall comply with the provisions of this policy.

Password Protocols

Passwords shall be changed at least every 90 days or sooner if compromised

Passwords shall be at least 8 characters long, contain a combination of letters, numbers and special characters and shall not be reused for at least 6 changes

All password security characteristics shall follow Office of Early Learning's IT Security Policy 5.05.02.32, *Password Management*

Requirements for restrictions on access to sensitive or confidential data, deleting operational data from disposed equipment, antivirus software, and controls/processes to physically guard operating systems are followed in accordance with Office of Early Learning's IT Policy.

Breach of Security

Breach of security, defined as any unauthorized access of data containing personal information, and security incident, defined as attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with operations, not including random attempts at access, will be reported to parties participating in contractual agreements with Children's Forum, Inc. in writing within 24 hours after the breach of security has been established. Further breach of security controls and processes will adhere to and can be found in the Office of Early Learning Grant Award Exhibit I, Section F, *Breach of Security/Confidentiality* and Section 501.171(3), F.S.

If a staff member suspects that a computer may contain a virus, or that a breach of security has occurred, they should report to their supervisor and the IT Officer.

4. GENERAL LEDGER AND CHART OF ACCOUNTS

Policy: **Accounting System**

Policy Number: **4.1**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

The chart of accounts is the framework for the general ledger system, and therefore the basis for Children's Forum, Inc.'s accounting system. The chart of accounts consists of account titles and account numbers assigned to the titles. General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, net asset, revenue, expense and gain and loss account.

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

Policy: **Distribution of Chart of Accounts**

Policy Number: **4.2**

Date Approved: **01/01/04**

Date Revised:

All Children's Forum, Inc. employees involved with account coding responsibilities (assignment or review of coding) or budgetary responsibilities shall be issued a current chart of accounts. As the chart of accounts is revised, an updated copy of the chart of accounts shall be distributed to these individuals promptly.

Policy: **Control of Chart of Accounts**

Policy Number: **4.3**

Date Approved: **01/01/04**

Date Revised:

Children's Forum, Inc.'s chart of accounts is monitored and controlled by the CFO. Responsibilities include the handling of all account maintenance, such as additions and deletions. Any additions or deletions of accounts should be approved by the CFO, who ensures that the chart of accounts is consistent with the organizational structure of Children's Forum, Inc. and meets the needs of each division and department.

Additions to, deletions from or any other changes to Children's Forum, Inc.'s standard chart of accounts shall only be done with the approval of the CFO.

Policy: **Fiscal Year**

Policy Number: **4.4**

Date Approved: **01/01/04**

Date Revised:

Children's Forum, Inc. shall operate on a fiscal year that begins on July 1 and ends on June 30. Any changes to the fiscal year of the organization must be ratified by majority vote of Children's Forum, Inc.'s Board of Directors.

5. REVENUES AND CASH RECEIPTS

Policy: Revenue Recognition

Policy Number: 5.1

Date Approved: 01/01/04

Date Revised: 07/01/07

Children's Forum, Inc. receives revenue from several types of transactions. Revenue from each of these types of transactions is recognized in the financial statements of Children's Forum, Inc. in the following manner:

1. **Grant income** - Monthly accrual based on incurrence of allowable costs (for cost-reimbursement awards) or based on other terms of the award (for fixed price, unit-of-service, and other types of awards).
2. **IT Services income** – Monthly accrual based on services provided.
3. **Conference, sponsorships and seminar revenue** - Although important, this is not a material category of revenue and is therefore recorded as revenue when received.
4. **Exhibit space income** - Although important, this is not a material category of revenue and is therefore recorded as revenue when received.
5. **Publications and other sales** - As sold and shipped.
6. **Membership dues and fees** – Although important, this is not a material category of revenue and is therefore recorded as revenue when received.
7. **Contributions** - Recognized as income when received, unless accompanied by restrictions or conditions.

Immaterial categories of revenue may be recorded on the cash basis of accounting (i.e. recorded as revenue when received) as deemed appropriate by the CFO.

Policy: Receipts and Disclosures

Policy Number: 5.2

Date Approved: 01/01/04

Date Revised: 07/01/07

Children's Forum, Inc. and its donors are subject to certain disclosure and reporting requirements imposed under the Internal Revenue Code and the underlying Regulations. To comply with those rules, Children's Forum, Inc. shall adhere to the following guidelines with respect to contributions received by the Organization.

For any separate contribution received by Children's Forum, Inc., it shall provide a receipt to the donor. The receipt shall be prepared by the Children's Forum, Inc. All receipts prepared by Children's Forum, Inc. shall include the following information:

1. The amount of cash received and/or a description (**but not an assessment of the value**) of any noncash property received;
2. A statement of whether Children's Forum, Inc. provided any goods or services to the donor in consideration, in whole or in part, for any of the cash or property received by the Organization from the donor, and
3. If any goods or services were provided to the donor by Children's Forum, Inc., a description and good faith estimate of the value of those goods or services.

When Children's Forum, Inc. receives cash in excess of \$75, or noncash property with a value in excess of \$75, as part of a quid pro quo transaction, the Organization shall follow additional disclosure procedures. For purposes of this paragraph, a "quid pro quo" transaction is one in which Children's Forum, Inc. receives cash or property in a transaction that is part contribution and part exchange transaction (i.e. the value of the goods or services provided to the donor by Children's Forum, Inc. is less than the value of cash or property provided by the donor). In such instances, Children's Forum, Inc. shall provide to the donor a receipt stating that only the amount contributed in excess of the fair market value of the goods or services provided by Children's Forum, Inc. may be deducted as a charitable contribution. The receipt shall also include a good-faith estimate of the fair market value of the goods or services provided to the donor by Children's Forum, Inc.

IRS rules provide for certain exceptions to the preceding disclosure rules applicable to quid pro quo transactions. As such, Children's Forum, Inc. shall follow all prescribed IRS guidelines.

All estimates of the fair market value of goods or services provided by Children's Forum, Inc. shall be prepared by the Fiscal Department.

It is the policy of Children's Forum, Inc. to comply with all current federal and state rules regarding solicitation and collection of charitable contributions, whether specifically addressed in this manual or not, as well as all future revisions to those rules.

Policy: Cash Receipts/Accounts Receivable

Policy Number: 5.3

Date Approved: 01/01/04

Date Revised: 5/02/2013

Cash (including “gifts” and checks payable to the organization) is the most liquid asset an organization has. Therefore, it is the objective of Children’s Forum, Inc. to establish and follow the strongest possible internal controls in this area.

Funds that are received directly at Children’s Forum, Inc. shall be centralized to ensure that cash received is appropriately directed, recorded and deposited on a timely basis.

Mail is opened and a listing of cash/checks received shall be prepared in an open area, in the presence of other employees. The individual preparing the daily list of receipts shall be someone that is not involved in the accounts receivable or accounts payable process.

The cash/check receipt listing is given to the Fiscal Department along with all of the checks and cash. Checks are deposited electronically to the financial institution. An e-mail from the bank is sent to the CFO providing notification of the receipt of the deposit. Cash is taken to the bank within the week by a fiscal department employee, and the deposit slip is given to the CFO. The CFO records and reconciles all deposits into the accounting system.

It is the policy of Children’s Forum, Inc. that all checks received that are payable to the Organization shall immediately be restrictively endorsed by the individual who prepares the daily receipts listing. The restrictive endorsement shall be a rubber stamp that includes the following information:

1. For Deposit Only
2. Children’s Forum, Inc.
3. The bank name
4. The bank account number of Children’s Forum, Inc.

It is the policy of Children’s Forum, Inc. that bank deposits shall be made on a timely basis.

It is the policy of Children’s Forum, Inc. that bank deposits shall be made on a timely basis.

If any monies received are a “gift”, information regarding the gift shall be forwarded from the fiscal department to the CEO for acknowledgement. Children’s Forum, Inc. shall acknowledge the gift within three business days using appropriate thank-you letters from the CEO. Letters must include the full statutory language requirement (F.S. 496.411). The letter shall also state the amount of the gift that may be treated as a tax-deductible charitable donation.

Gifts will be recorded according to the donor’s intended use, i.e. unrestricted, restricted (specific program or project) etc.

Policy: Credit Cards

Policy Number: 5.4

Date Approved: 01/01/04

Date Revised: 12/14/16

Children's Forum, Inc. accepts credit card payments through PayPal. These accounts are reconciled and maintained by the CFO on a monthly basis. Master Card, Visa and American Express are authorized to be used for payments. Transactions include membership payments, event registrations and TEACH copayments.

In occasions where employees have to use a corporate credit card for travel, reimbursements and other purchases, the following processes shall apply:

- a. Periodically, management shall review the list of users to ensure the cards are issued to appropriate staff members.
- b. Credit card users shall receive notice of usage guidelines that includes safeguarding of issued cards, card holder duties, tips to avoid identity theft, and prohibited purchases/activities.
- c. Purchasing cards shall not be used to circumvent compliance with normal requisitioning transactions.
- d. Staff shall prepare reconciliations and maintains adequate supporting records for disbursements and employee reimbursements made by credit card.
- e. Management shall periodically reviews purchase activities and employee reimbursements made by credit cards to ensure these purchases are allowable and are not being split to stay below established spending thresholds.
- f. An independent review and approval process is in place for purchases made by members of the management team.
- g. Card misuse by staff shall be documented and a notice of personnel actions taken/required shall be issued.

Credit Card Safeguards

- a. Credit cards shall be safeguarded when not in use.
- b. Prohibited transactions are identified for staff.
- c. Authorized spending levels/delegation of authority shall be in place.
- d. Due dates for supporting documentation shall be maintained .
- e. Supporting documentation requirements include:
 - 1) Original receipts supporting transactions are maintained and marked/de-faced once payment has been authorized/made.
 - 2) Receipts must clearly reflect a description of the goods or services acquired, number of units, and cost per unit. The combination of several documents to provide the description, number of units, and cost per unit may be used (i.e., quote sheets, packing slips, web page screen-prints, cash register receipts, charge slips). Numerical code descriptions alone are not acceptable.
 - (a) All receipts for commodities shall be signed and dated by the cardholder to indicate the receipt, inspection, and acceptance of the goods or services.
 - (b) Receipts for services require clear evidence that services were **satisfactorily** received.

- 3) Acronyms and non-standard abbreviations for programs or organizational units within an agency should not be used in the supporting documentation unless an explanation is also included.

Additional requirements for credit cards [DFS CFO Memo No. 02 (2014-15)]

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

6. EXPENDITURES AND DISBURSEMENTS

Policy: Purchasing

Policy Number: 6.1

Date Approved: 01/01/04

Date Revised: 12/05/16

THIS POLICY APPLIES TO ALL PURCHASES MADE BY CHILDREN’S FORUM, INC. ADDITIONAL POLICIES APPLICABLE ONLY TO THOSE PURCHASES MADE UNDER FEDERAL AWARDS ARE DESCRIBED IN THE SECTION “POLICIES ASSOCIATED WITH FEDERAL AWARDS.”

It is the policy of Children’s Forum, Inc. that all staff shall follow a practice of ethical, responsible and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment.

Purchases must be allowable, reasonable and necessary, allocable to the funder’s contract and given consistent treatment, in addition to conforming to any limitations or exclusions in the contract itself.

All department managers shall have the authority to initiate purchases on behalf of their department, within the guidelines described in this policies manual. In addition, department managers may delegate purchasing authority to responsible individuals within their department. Debit cards are not used by the Children’s Forum. However, certain managers and staff are also allowed to make purchases via Children’s Forum credit card. Credit cards are issued at the discretion of the department manager and approved by the CEO. Preset limits are assigned to each card holder. Department managers shall inform the fiscal department of all individuals who may initiate purchases. The fiscal department shall maintain a current list of all authorized purchasers and credit card holders along with their predetermined spending limit. Employees must return the card at the end of employment. Any improper use of the credit card may result in immediate termination and employee will be responsible for repayment of any non Forum related charges. All employees issued a credit card shall sign an acknowledgment of receipt of this policy.

Employees must submit original receipts for all expenses including those charged to a credit card. The fiscal department shall be responsible for processing purchase orders including those purchases made via credit card. The CEO has prior approval authority for all contractual commitments and purchases in excess of \$1,000 . Routine disbursements associated with scholarships and wage stipends do not require prior CEO approval. All disbursements will be reviewed and approved by the fiscal department ensuring expenses are allowable and in compliance with relevant policy guidance, grant and/or contractual guidelines. Expenditures in excess of \$100,000 shall require the approval of the board of directors and an additional signature of an executive board member on the check. Further restrictions require that a single item expenditure in excess of \$25,000 for capitalized assets or real estate shall also require the approval by the board of directors and the signature of an executive board member on the check. The CEO shall make the final determination on any proposed purchases where budgetary or other conditions may result in denial.

The Children’s Forum strives to maintain adequate segregation of duties in its purchasing and disbursements functions. The following table illustrates how responsibilities have been assigned. In this table personnel are identified as follows:

- A. Program Staff/Managers
- B. Program Managers
- C. Chief Financial Officer
- D. Contracts Administrator
- E. Payroll/Payables Specialist
- F. HR/Fiscal Assistant
- G. CEO

Duty	A	B	C	D	E	F	G
Inputs data into vendor master file					X	X	
Obtains Form W-9 from new contractors					X		
Initiates purchases	X	X			X	X	
Authorizes purchases	X	X	X	X			
Prepares purchase order/requisition	X	X			X		
Prepares request for proposal	X	X	X	X			
Administers collection of proposals				X			
Evaluates proposals	X	X		X			
Selects contractor		X		X			
Receives contractor invoice	X						
Approves contractor invoice		X					
Assigns general ledger coding			X				
Inputs invoice into A/P system					X		
Selects A/P to be paid					X		
Runs A/P checks					X		
Reviews checks			X				
Signs checks							X
Mails checks	X						
Maintains custody of unused checks			X				
Reconciles A/P to general ledger			X				
Performs bank reconciliation						X	
Reviews cancelled checks					X		
Reviews bank reconciliations			X				

PRIDE

Whenever required by contract provisions, purchases shall be made from PRIDE (Prison Rehabilitative Industries and Diversified Enterprises, Inc.) according to procedures set forth in §946.515(2) and (4), FS.

Recyclable Materials

Whenever required by contract provisions, products or materials shall be procured in accordance with the provisions of §403.7065 and §287.045, FS.

Non-Discrimination Policy

All contractors who are the recipients of Organization funds, or who propose to perform any work under agreements with Children's Forum, Inc. shall agree to these important principles:

1. Contractors will not discriminate against any employee or applicant for employment because of race, religion, color, sexual orientation or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the vendors/contractors.
2. Contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Notices, advertisement and solicitations placed in accordance with Federal law, rule or regulation shall be deemed sufficient for meeting the intent of this section.

Policy: Purchase Orders

Policy Number: 6.2

Date Approved: 01/01/04

Date Revised: 12/14/16

It is the policy of Children's Forum, Inc. to utilize a purchase order system. A properly completed purchase order shall be required for each purchase decision (i.e. total amount of goods and services purchased, not unit cost). A properly completed Purchase Order shall contain the following information, at a minimum:

1. Specifications or statement of services required
2. Vendor name, address, point of contact and phone
3. Source of funding
4. Delivery or performance schedules
5. Delivery, packing and transportation requirements (if applicable)
6. Special conditions (if applicable)
7. Net price per unit, less discount, if any (if applicable)
8. Total amount of order
9. Authorized signature
10. Date PO prepared
11. Solicitation number (if applicable)
12. Liquidated Damages #
13. Catalog number, page number, etc. (if applicable)

Purchase orders shall be pre-numbered, kept in a secure area, and issued upon request from an authorized purchaser. All purchase orders shall be recorded in the Children's Forum accounting system. At the end of each accounting period, an aged outstanding purchase order report shall be prepared and distributed to each purchasing representative and the CFO.

All completed purchase orders must include original receipts and be signed by a supervisor and the CFO or her/his other designated employee. In addition, the CEO must approve all purchases in excess of \$1,000.

The following required purchase order disclosures per federal and state statutes or rules shall apply:

- 1) Payment audit (records of costs will be available upon request)
- 2) Payment made after written the payee's acceptance
- 3) Payment timeframe – timely payments will be made
- 4) Funding availability/annual appropriation
- 5) No lobbying
- 6) Public access/public records
- 7) Conduct of business – federal/state laws govern
- 8) Conflict of interest/related party activities
- 9) Confidentiality and safeguarding information
- 10) Termination for cause – required for purchases in excess of \$10,000^

11) Remedies – required for purchases in excess of \$35,000^

The following control process for purchase orders shall apply:

- a. Secure all unused purchase orders in a safe place and restrict access to these documents.
- b. Maintain a file and accounting system for all consecutive purchase orders issued or voided.
- c. Maintain a records of persons authorized to issue and sign each type of purchase order.
- d. Monitor and review processes for the use of purchase orders and field purchase orders (those issued by an agency/office that is separate from the agency purchasing office (i.e., satellite offices).Rationale for method of procurement.

Policy: **Solicitation of Quotations from Vendors**

Policy Number: **6.3**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

Purchase decisions in excess of \$1,000 for labor, equipment, supplies or services purchased, leased or contracted for shall be made only after receiving, whenever possible, oral quotations from at least two (2) vendors. In addition, other contractual provisions may affect these purchase decisions.

Purchase decisions exceeding \$25,000 for labor, equipment, supplies or services purchased, leased or contracted for shall be made only after receiving whenever possible, written quotations from at least two (2) vendors. Specific selections shall be recommended, via the Department Managers, to the CFO for approval with written quotations attached for review.

All Purchase decisions of \$100,000 or more shall be made by obtaining competitive proposals from at least three (3) responsible vendors. Sealed bids shall be utilized when required by a Federal awarding agency.

After a vendor has been selected and approved by the department manager, the final selection shall be approved by the President/CEO prior to entering into a contract.

Policy: **Affirmative Consideration of Minority and Small Businesses**

Policy Number: **6.4**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

Positive efforts shall be made by Children's Forum, Inc. to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. The following steps shall be taken in furtherance of this goal:

1. Ensure that small business, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
2. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small business, minority-owned firms and women's business enterprises.
3. Consider in the contract process whether firms competing for larger contracts tend to subcontract with small businesses, minority-owned firms and women's business enterprises.
4. Encourage contracting with consortiums of small businesses, minority owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the minority-owned firms and women's business enterprises.

Policy: **Special Purchasing Conditions**

Policy Number: **6.5**

Date Approved: **01/01/04**

Date Revised:

Emergencies:

Where equipment, materials, parts, and/or services are needed, quotations will not be necessary if the health, welfare, safety, etc., of staff and protection of Organization property is involved.

Single Distributor/Source:

Where there is only one (1) distributor for merchandise needed and no other product meets the stated needs or specifications, quotations will not be necessary.

Federally-Funded Programs:

Purchases that will be charged to programs funded with federal awards will be subject to additional policies. These policies are described in a separate section, "Policies Associated With Federal Awards."

Policy: Vendor Files and Required Documentation

Policy Number: 6.6

Date Approved: 01/01/04

Date Revised: 07/01/07

The Fiscal department shall create a vendor folder for each new vendor from whom Children's Forum, Inc. purchases goods or services.

Children's Forum, Inc. shall obtain a completed Form W-9 or equivalent substitute documentation from all vendors to whom payments are made. A record shall be maintained of all vendors to whom a Form 1099 is required to be issued at year-end. Records of payments to such vendors shall be accumulated over the course of a calendar year.

See the section on "Payroll and Related Policies" for guidance on determining whether a vendor should be treated as an employee.

Policy: **Ethical Conduct in Purchasing**

Policy Number: **6.7**

Date Approved: **01/01/04**

Date Revised:

Ethical conduct in managing the Organization's purchasing activities is an absolute essential. Staff must always be mindful that they represent the Board of Directors and share a professional trust with other staff and the general membership.

Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services. Staff shall notify their immediate supervisor if they are offered such gifts. Gifts to the Organization, viewed as normal business incentives to obtain future Organization-approved business such as for meeting sites, are acceptable donations.

Policy: Conflicts of Interest Prohibited

Policy Number: 6.8

Date Approved: 01/01/04

Date Revised: 11/2/2016

No officer, board member, employee, or agent of Children’s Forum, Inc. shall participate in the selection or administration of a contract or vendor if a real or apparent conflict of interest would be involved. Such a conflict would arise if an officer, board member, employee or agent, or any member of his/her immediate family, his/her spouse/partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the contract or vendor selected.

Potential conflicts of interest and/or perceived voting conflicts will be disclosed in writing under 2 CFR Part 200.112. In accordance with the provisions of section 112.3143(3)(a), F.S. and 2 CFR Part 200.318, if a conflict of interest is present, the nature and extent of any conflict of interest must be disclosed and the officer, board member, employee, agent or other individuals impacted by procurement activities shall abstain from voting or participating when a conflict of interest exists.

Staff shall be informed that contracts with a “relative” of an employee or a Governing Board member may not be executed without the approval of the funding agency. Officers, board members, employees and agents of Children’s Forum, Inc. shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or parties to sub-agreements. However, unsolicited gifts of a nominal value, such as \$25 or less may be accepted with the approval of the President/CEO.

For further references regarding conflict of interest, see the footnote.¹

¹ For more details on Conflict of Interest policy, please refer to the Employee Handbook and Personnel Policies, Section 2.110 Conflict of Interest.
For more details on state statutory instructions, please refer to OEL’s Program Guidance, *Related Party Disclosures*.
See the Florida Commission on Ethics *Guide to the Sunshine Amendment and Code of Ethics for Public Officers and Employees*.
See the Florida Commission on Ethics *Overview of Laws relating to Gifts*.
See the Florida Commission on Ethics *Overview of Laws relating to Honoraria*.

7. POLITICAL INTERVENTION

Policy: **Prohibited Expenditures**

Policy Number: **7.1**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

Consistent with its tax-exempt status under the Internal Revenue Code, it is the policy of Children's Forum, Inc. that the Organization shall not incur any expenditure for political intervention. For purposes of this policy, political intervention shall be defined as any activity associated with the direct or indirect support or opposition of a candidate for elective public office at the federal, state or local level. Political intervention does not include lobbying activities, defined as the direct or indirect support or opposition for legislation, which is not prohibited under the Internal Revenue Code for Children's Forum, Inc. Examples of prohibited political expenditures include, but are not limited to, the following:

1. Contributions to political action committees
2. Contributions to the campaigns of individual candidates for public office
3. Contributions to political parties
4. Expenditures to produce printed materials (including materials included in periodicals) that support or oppose candidates for public office
5. Expenditures for the placement of political advertisements in periodicals

Policy: **Endorsements of Candidates**

Policy Number: **7.2**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

It is the policy of Children's Forum, Inc. not to endorse any candidates for public office in any manner, either verbally or in writing. This policy extends to the actions of management and other representatives of Children's Forum, Inc., when these individuals are acting on behalf of, or are otherwise representing, the Organization.

Policy: **Prohibited Use of Organization Assets and Resources**

Policy Number: **7.3**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

It is the policy of Children's Forum, Inc. that no assets or human resources of the organization shall be utilized for political activities. This prohibition extends to the use of Organization assets or human resources in support of political activities that are engaged in personally by board members, members of management, employees, or any other representatives of Children's Forum, Inc..

While there is no prohibition against individuals engaging in political activities personally (on their own time, and without representing that they are acting on behalf of the Organization), these individuals must at all times be aware that Organization resources cannot at any time be utilized in support of political activities.

8. ACCOUNTS PAYABLE MANAGEMENT

Policy: Accounts Payable

Policy Number: 8.1

Date Approved: 01/01/04

Date Revised: 12/14/16

It is the policy of Children's Forum, Inc. that the recording of assets or expenses and the related liability shall be performed by an employee independent of ordering and receiving. The amounts recorded shall be based on the vendor invoice for the related goods or services. The vendor invoice shall be supported by an approved purchase order and be reviewed and approved by a department manager prior to being processed for payment. Invoices and related general ledger account distribution codes shall be reviewed prior to posting.

The primary objective for accounts payable and cash disbursements is to ensure that:

1. Disbursements are properly authorized
2. Invoices are processed in a timely manner
3. Vendor credit terms and operating cash are managed for maximum benefits

It is the policy of Children's Forum, Inc. that only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the vendor records. No vendor statements shall be processed for payment.

Invoice Processing

A. Appropriate and adequate invoice processing policy disclosures [69I-40.002(3), F.A.C.]

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

B. Appropriate and adequate invoice processing controls [69I-24.003, F.A.C.; CFOM No. 06 (2011-12)]

1. Children's Forum, Inc. must receive deliverables from subcontractors and provide written certification of such before payments are made.
 - a. Approval and inspection of goods or services shall take no longer than 5 working days unless the bid specifications, purchase order or contract specifies otherwise. [s. 215.422(1), F.S.]
 - b. Terms conditions must be specified and must accompany the request for payment to evidence delivery of goods/services.

- c. Children's Forum, Inc. will ensure that deliverables were received on time and as intended (i.e., met performance measures) before release of payment is approved/processed. *
2. Invoices must have adequate documentation and must be processed on a timely basis.
 - a. Documents for goods/services received are date stamped.
 - b. Review invoice for accuracy and completeness of the following details. [69I-40.002, (3), F.A.C.]
 - 1) Description of the item(s).
 - 2) Number of units.
 - 3) Cost per unit.
 - 4) Service dates coincide with invoice period.
 - 5) Minimum level of services has been provided.
 - 6) Amount invoiced coincides with the terms/conditions.
 - c. Verify any required supporting documentation has been submitted.
 - d. Review documentation to gain reasonable assurance that commodities/contractual services have been satisfactorily provided within the terms of the contract/agreement.
 - e. Complete any additional processes required by the Children's Forum policies.
 - f. Certify the entity's receipt of goods/services.
 - g. Invoices shall be paid according to state rules for Prompt Payment Compliance.
 - 1) Section 215.422(3)(b), F.S., requires interest to be paid to the vendor if payment is not issued within 40 days after receipt of the invoice and receipt, inspection, and approval of the goods and services.
 - 2) DFS does not require agencies to pay interest penalty invoices of less than \$1.00 unless the vendor asserts his right to the interest penalty payment either orally or in writing.
3. Children's Forum will enforce the following terms and conditions [s. 287.057(14)(b), F.S.; DFS-related contract manager guidance]:
 - a. Contract/grant management staff are required to work with the contractor/vendor to ensure that goods/services are received as intended and contract/agreement terms are enforced.
 - b. Use performance bonds when appropriate.
 - c. Verify financial consequences are addressed.
 - d. Verify terms for liquidated damages are included (when applicable) to compensate the entity for any losses realized.
4. For disputes about receipt of goods/services [s. 215.422(8), F.S., Payments...disputes]
 - a. The following may apply:
 - 1) Invoice may be prorated, reduced or withheld according to the financial consequences established in contract/agreement.
 - 2) Partial or prorated payments must be made based on the deliverables that can be validated and supported by adequate documentation.
 - b. If no financial consequences are included in contract/agreement OR documentation can't be provided, the payment should be withheld until the issue is resolved or a settlement is reached.
 - c. Inform staff of settlement agreement process.
 - 1) Used when the amount owed to a provider/contractor is in dispute.
 - 2) A lengthy, cumbersome and potentially expensive process the Children's Forum will not be able to complete alone; legal counsel will be required.
 - 3) Required for many situations including
 - a) To settle a lawsuit, damages or legal fees;
 - b) Absence of an executed agreement;
 - c) Agreement was executed after services were rendered;
 - d) Additional services not included in the agreement were provided;
 - e) Services were rendered after the agreement expired.

Policy: Accounts Payable Cut-Off

Policy Number: 8.2

Date Approved: 01/01/04

Date Revised: 07/01/07

For purposes of the preparation of the Organization's monthly financial statements, all vendor invoices that are received, approved and supported with proper documentation by the tenth day of the following month shall be recorded as accounts payable as of the end of the immediately preceding month if the invoice pertains to goods or services delivered by month-end.

Policy: **Cost Allocation and Shared Costs**

Policy Number: **8.3**

Date Approved: **07/01/07**

Date Revised:

All expenses are to be allocated in accordance with the Organization's current Cost Allocation Plan, incorporated herein by reference.

Policy: Employee Expense Reports

Policy Number: 8.4

Date Approved: 01/01/04

Date Revised: 12/14/16

All out of town staff travel must be pre-approved by your supervisor and a Travel Authorization Request (TAR) must be submitted to the fiscal department prior to an travel. Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form. All receipts must be attached, and a brief description of the business purpose of trip or meeting must be noted on the form. Expense reports will be processed and paid on a weekly basis via EFT by the fiscal department. Expenses older than 30 days are subject to non reimbursement.

Use of Vouchers

- a. Staff shall prepare reconciliations to voucher logs and maintain adequate supporting records for disbursements and employee reimbursements made by voucher.
- b. Management shall periodically review staff members authorized to make purchases by voucher.
- c. Management shall periodically review purchase activities and employee reimbursements made by voucher to ensure these purchases are allowable and are not being split to stay below established spending thresholds.
- d. An independent review and approval shall be utilized (potentially including a governing board member/audit committee) for purchases made by members of the management team.
- e. Management shall periodically review and updates instructions as needed.
- f. Vouchers shall not used to routinely circumvent compliance with normal requisitioning transactions.

Policy: **Travel Advances**

Policy Number: **8.5**

Date Approved: **01/01/04**

Date Revised: **1/1/09**

No travel advances shall be issued to any employee unless special circumstances arise and are approved by the CEO.

Policy: Reasonableness of Travel Costs

Policy Number: 8.6

Date Approved: 01/01/04

Date Revised: 12/14/16

Children's Forum, Inc. shall reimburse travelers only for those business-related costs that are reasonably incurred. Accordingly, the following guidelines shall apply:

1. Suites and other upgraded rooms at hotels shall not be allowed. Travelers should stay in standard rooms.
2. When utilizing rental cars, travelers should rent midsize or smaller vehicles and share rental cars whenever possible.
3. Business-related long-distance telephone calls while away on business travel are permitted, but should be kept to a minimum. Expense reports should explain long-distance charges.
4. Personal long-distance calls while away on business are reimbursable if kept to a minimum, such as one nightly call home to family. Personal calls in excess of this shall not be reimbursed.
5. Whenever possible, travelers should utilize long-distance calling cards when placing calls while away on travel; avoid using the hotel's long-distance service if possible.
6. Reasonable tips for baggage handling shall be reimbursed. No receipts are required.

The following additional rules apply to air travel:

1. Air travel should be at coach class. First class air travel shall not be reimbursed unless there is a documented medical reason.
2. Memberships in airline flight clubs is not reimbursable.
3. Cost of flight insurance is not reimbursable.
5. When returning on a Sunday or departing on a Saturday in order to obtain a cost savings in airfare due to the Saturday-night stay over, travelers should provide a total cost comparison (showing that the lower airfare plus an extra night lodging, meals & incidentals is less costly than airfare without the Saturday night stay over).
6. Cost of upgrade certificates is not reimbursable.
7. Cost of canceling and rebooking flights is not reimbursable, unless it can be shown that it was necessary or required for legitimate business reasons (such as changed meeting dates, etc.).
8. Travelers must identify and pay for all personal flights, even if such flights are incorporated into a flight schedule that serves business purposes (i.e. Children's Forum, Inc. will not reimburse for the personal legs of a trip).

Spouse/Partner Travel

It is the policy of Children's Forum, Inc. not to reimburse any employee or board member for separate travel costs (air fare, etc.) associated with his/her spouse or partner. The cost of a shared hotel room need not be allocated between employee/board member and spouse/partner for purposes of this policy.

Management and Documentation of Travel Expenses [2 CFR Part 200.302, *Financial management systems*; 200.303, *Internal controls*; *DFS Reference Guide, DFS State Travel Manual*; s. 112.061, *F.S. Per diem and travel expenses of public officers, employees, and authorized persons*; and *CFO Memo No. 06 (2016-17)*]

- a. Travel expenses will be documented and reimbursed based on applicable state and federal travel rules.
- b. Proper authorization, review, approval, and adequate supporting records shall be submitted. This includes blanket travel authorizations, requirement to use state-issued travel authorization when expending state funds, travel advances and travel reimbursement forms that include all required signatures/statements from the traveler, requirement to use most economical and efficient method for each travel event.
- c. Reimbursements shall be reviewed by the traveler's supervisor and the fiscal department and shall not exceed allowable amounts. The Children's Forum Travel manual shall include details for allowable mileage reimbursement amounts, meal rates from statutes, travel per diem calculations, and allowable daily room rates. Only reasonable and necessary business-related costs shall be incurred.
- d. An independent review and approval process shall be performed for costs incurred by members of the management team.
- e. Instances of misuse by staff shall be documented and a notice of personnel actions shall be issued if necessary.

9. CASH DISBURSEMENTS

Policy: Check Preparation and EFT's

Policy Number: 9.1

Date Approved: 01/01/04

Date Revised: 07/01/07

Check Preparation:

It is the policy of Children's Forum, Inc. to print vendor checks and expense reimbursement checks on an as needed basis. Checks shall be prepared by persons independent of those who initiate approve expenditures.

All vendor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with the purchasing, accounts payable, and travel and business entertainment policies described in this manual
2. Timing of disbursements should generally be made to take advantage of all early-payment discounts offered by vendors.
3. Generally, all vendors shall be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services.
4. Total cash requirements associated with each check run is monitored in conjunction with available cash balance in bank prior to the release of any checks.
5. All supporting documentation is attached to the corresponding check prior to forwarding the entire package to an authorized reviewer.
6. Checks shall be issued in numerical order (unused check stock is stored in a locked office in the fiscal department).
7. Checks shall never be made payable to "bearer" or "cash."
8. Checks shall never be signed prior to being prepared.
9. Upon the preparation of a check, vendor invoices and other supporting documentation shall immediately be stamped "Paid" in order to prevent subsequent reuse.

EFT's

Although the primary method of disbursement is checks based, EFT's may also be used when a payment request meets one or more of the following conditions:

1. Legal or contractual requirements
2. Expedited payment required
3. Standard industry practice
4. Guaranteed payment delivery requested
5. Most cost-effective payment procedure

Persons authorized to initiate EFT are limited to the Fiscal department. All persons using the EFT system will be required to use passwords to gain access. Under no circumstances should passwords be shared. All applicable procedures listed above apply to EFT.

Computers used for EFT activity should be located in a secure area that is restricted to authorized personnel.

The CFO must review all EFT transactions. EFT's in excess of \$1,000 are reviewed by the CEO for approval. The Fiscal department is responsible for the timely review and reconciliation of EFT transactions.

Policy: Check Signing

Policy Number: 9.2

Date Approved: 01/01/04

Date Revised: 11/15/2010

It is the policy of Children's Forum, Inc. that the CEO's electronic signature is printed on each check. This signature is only available to the Fiscal Accounting Specialist and CFO and is password protected within the accounting software. Invoices in excess of \$1,000 are reviewed by the CEO for approval.

Expenditures in excess of \$100,000 shall require the approval of the board of directors and an additional signature of an executive board member on the check. Further restrictions require that a single item expenditure in excess of \$25,000 for capitalized assets or real estate shall also require the approval by the board of directors and the signature of an executive board member on the check. The CEO shall make the final determination on any proposed purchases where budgetary or other conditions may result in denial.

Policy: Voided Checks and Stop Payments

Policy Number: 9.3

Date Approved: 01/01/04

Date Revised: 07/01/07

Checks may be voided by defacing the check by clearly marking it as "VOID". All voided checks shall be retained to aid in preparation of bank reconciliations.

Stop payment orders may be made via online banking or an e-mail to a bank representative.

10. PAYROLL AND RELATED POLICIES

Policy: **Classification of Workers as Independent Contractors or Employees**

Policy Number: **10.1**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

It is the policy of Children's Forum, Inc. to consider all relevant facts and circumstances regarding the relationship between Children's Forum, Inc. and the individual in making determinations about the classification of workers as independent contractors or employees. This determination is based on the degree of control and independence associated with the relationship between Children's Forum, Inc. and the individual. Facts that provide evidence of the degree of control and independence fall into three categories:

1. Behavioral control:
 - a. Instructions given by Children's Forum, Inc. to the worker that indicate control over the worker (suggesting an employee relationship), such as:
 - (1) When and where to work
 - (2) What tools or equipment to use
 - (3) What workers to hire or to assist with the work
 - (4) Where to purchase supplies and services
 - (5) What work must be performed by a specified individual
 - (6) What order or sequence to follow
 - b. Training provided by Children's Forum, Inc. to the worker (i.e. employees typically are trained by their employer, whereas contractors typically provide their own training)
2. Financial control:
 - a. The extent to which the worker has unreimbursed business expenses (i.e. employees are more likely to be fully reimbursed for their expenses than is a contractor)
 - b. The extent of the worker's investment in the facilities/assets used in performing services for Children's Forum, Inc. (greater investment associated with contractors)
 - c. The extent to which the worker makes services available to the relevant market
 - d. How Children's Forum, Inc. pays the worker (i.e. guaranteed regular wage for employees vs. flat fee paid to some contractors)
 - e. The extent to which the worker can realize a profit or loss
3. Type of Relationship:
 - a. Written contracts describing the relationship that Children's Forum, Inc. and the individual intend to create
 - b. Whether Children's Forum, Inc. provides the worker with employee-type benefits, such as insurance, paid leave, etc.
 - c. The permanency of the relationship
 - d. The extent to which services performed by the worker are a key aspect of the regular business of Children's Forum, Inc.

If an individual qualifies for independent contractor status, the individual will be sent a Form 1099 if total compensation paid to that individual for any calendar year, on the cash basis, is \$600 or more. The amount reported on a Form 1099 is equal to the compensation paid to that person during a calendar year (on the cash basis). Excluded from "compensation" are reimbursements of business expenses that have been accounted for by the contractor by supplying receipts and business explanations.

If an individual qualifies as an employee, a personnel file will be created for that individual and all documentation required by the Children's Forum, Inc. personnel policies shall be obtained. The policies described in the remainder of this section shall apply to all workers classified as employees.

Policy: Payroll Administration

Policy Number: 10.2

Date Approved: 01/01/04

Date Revised: 07/01/07

Children's Forum, Inc. operates on a semi-monthly payroll. For all Children's Forum, Inc. employees, a personnel file is established and maintained with current documentation, as described fully in the Children's Forum, Inc.'s Personnel Manual.

The Fiscal department is responsible for ensuring all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. The Fiscal department may utilize the services of an outside payroll service center for the processing of payroll, as determined by the CFO.

It is the policy of Children's Forum, Inc. to obtain an updated Form W-4 from each employee in January of each year. Withholding of federal income taxes shall be based on the most current Form W-4 prepared by each employee.

11. ASSET AND LIABILITY ACCOUNTS

Policy: **Cash and Cash Management**

Policy Number: **11.1**

Date Approved: **01/01/04**

Date Revised: **03/29/16**

The primary operating account shall provide for routine business check disbursements. All cash deposits are made to this account. Deposits received in the mail are made via Remote Deposit System with Tallahassee State Bank. Any cash not deposited during working hours is locked up overnight. Cash transfers shall be done on an as needed basis to cover disbursements. Placement of excess funds are directed by the Board and CEO and are currently held in shared money market accounts.

Policy: Bank Reconciliations

Policy Number: 11.2

Date Approved: 01/01/04

Date Revised: 03/29/16

Bank account statements received each month shall be forwarded unopened to the CEO who shall review the contents for unusual or unexplained items.

After this review is complete reconciliation between the bank balance and general ledger balance shall be prepared by someone who is not an authorized check signer. It is the policy of Children's Forum, Inc. to complete the bank reconciliation process within 4 weeks of receipt of each bank statement.

All bank reconciliations, including any adjusting journal entries resulting from preparing bank reconciliations, are reviewed by the CFO on a monthly basis.

Bank reconciliations and copies of resulting journal entries are filed in the current year's accounting files.

Policy: **Cash Flow Management**

Policy Number: **11.3**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

The CFO monitors cash flow to eliminate idle funds and to ensure that payment obligations can be met. Cash transfers between accounts are performed on an as-needed basis.

Policy: **Stale Checks**

Policy Number: **11.4**

Date Approved: **01/01/04**

Date Revised: **11/15/2010**

A stale check list consisting of outstanding checks over 180 days old is compiled and reviewed quarterly by the Fiscal Accounting Specialist. The list is then distributed to the appropriate Managers for further investigation including contact of payee. Once a final status determination is made the Fiscal department will proceed to write off the check(s) through a reissue or a credit memo. Non reissued checks written in prior grant years should be treated as prior year refunds which will be remitted by check along with supporting documentation back to the proper funder.

12. PROPERTY & EQUIPMENT MANAGEMENT

Policy: Capitalization Policy

Policy Number: 12.1

Date Approved: 01/01/04

Date Revised: 08/24/2016

Tangible personal property acquired with non-grant funds and with unit costs in excess of \$1,000 with a life expectancy of greater than one year shall be capitalized as fixed assets on the financial statements. Items with unit costs below this threshold shall be expensed in the year purchased.

Tangible personal property (including information technology systems) purchased with federal and/or state grant funds that have a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$1,000 is managed under the rules and regulations of 45 CFR Part 75, Section 1002.84(11), Florida Statutes, and Office of Early Learning Program Guidance 240.02.

Assets with fair market values in excess of \$1,000 (per unit) that are donated to Children's Forum, Inc. shall be capitalized as fixed assets on the financial statements. Contributed items with market values below this threshold shall be expensed in the year donated.

Donated capitalized assets are accounted for at their market value at the time of donation and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives.

Policy: Property Custodians and Inventory

Policy Number: 12.2

Date Approved: 01/01/04

Date Revised: 8/24/2016

The President is the primary custodian for Children's Forum, Inc. entitled with lawful responsibility of tangible property assets and delegation of management responsibilities to secondary custodians.

The secondary custodian acts under the supervision of the primary custodian as the delegate of custody of property and is tasked with providing custody receipts to the primary custodian. The Chief Technology Officer is hereby identified as Children's Forum, Inc. secondary custodian.

The primary and the secondary property custodians are responsible for appointing custodian delegates who, under their supervision, are responsible for daily property management.

Property and equipment purchased with state or federal funds which equals to or exceeds \$1,000 is inventoried and recorded in accordance with 45 CFR Part 75.320 and Office of Early Learning Program Guidance 240.02.

The following policies regarding property inventory are developed in accordance with Rule 69I-73, F.A.C.

A physical inventory of all items under the preceding policies will be taken at least annually by Children's Forum, Inc. as well as if such time occurs that a change of custodian or change of custodian's delegate is made. A custodian delegate will not personally inventory items for which they are responsible. This physical inventory shall be reconciled to the property log and adjustments made as necessary as described above. All adjustments resulting from this reconciliation will be approved by the CFO.

Property that is discovered to be missing or stolen will be reported immediately to the CFO.

Inventory records shall include the following information with respect to each item:

1. Date of acquisition
2. Identification/tag number
3. Manufacturers serial number (if applicable)
4. Person or department property is assigned to
5. Cost or value at the date of acquisition
6. Method of acquisition (i.e. check#)
7. Description (including color, model number, etc.)
8. Location of item
9. Funding source including the award number
10. Property vesting information
11. Percentage of federal participation in the cost of the equipment
12. Last inventory date.

13. Condition as last inventory. Provide maintenance services to those that are identified as not in good condition. Initiate a disposition process for those items that are not usable or unable to repair.
14. Record of disposition

Inventory procedures should include:

- a. Physical inspection of the item
- b. Match the property tag id number and description of the item against the Master Property Inventory list.
- c. Verify the current condition of the item against the condition described on the Master Property Inventory list.
- d. Record the initials of the person taking the inventory next to the item on the Master Property Inventory list
- e. Research any discrepancies between physical inventory and items on the Master Property list and make adjustments as necessary
- f. Indicate the disposition of any items no longer physically present on the Master Property list

Policy: **Depreciation and Useful Lives**

Policy Number: **12.3**

Date Approved: **01/01/04**

Date Revised: **05/01/13**

All capitalized assets are maintained in the special fixed assets account group and are not to be included as an operating expense. Fixed assets are depreciated over their estimated useful lives using the straight-line method.

Estimated useful lives of capitalized assets shall be determined by the Fiscal department. The following is a list of the estimated useful lives of each category of fixed asset for depreciation purposes:

Furniture and fixtures	Up to 10 yrs
General office equipment	5 yrs
Computer hardware and peripherals	3-5 yrs
Computer software	2-3 yrs
Leased assets	life of lease
Leasehold Improvements	remaining lease term

For accounting and interim financial reporting purposes, depreciation expense will be recorded on a monthly basis.

Policy: Repairs of Capitalized Assets

Policy Number: 12.4

Date Approved: 01/01/04

Date Revised: 05/01/13

Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property.

Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining estimated useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.

Policy: Dispositions of Tangible Personal Property

Policy Number: 12.5

Date Approved: 01/01/04

Date Revised: 8/24/16

In the event a non-expendable property or equipment listed on the inventory record is sold, scrapped, donated or stolen, adjustments need to be made to the property inventory. If an item is disposed of, the following information will be recorded in the property records:

1. Date of disposition
2. Board approval of disposition reflected in the minutes (if item >\$1,000)
3. Manner of disposition (sold, donated, transferred, destroyed etc.)
4. Name of employee witnessing disposal
5. Other information regarding asset (i.e. receipt for sale, trade in receipt, insurance recovery)
6. Gain or loss recorded (if applicable)
7. Priority for disposition (for items purchased with federal/state funds): if the item is in good condition but is no longer needed for the associated program, project or activity that a federal or state awarding agency sponsors, the custodian must use the equipment in connection with its other federally or state-sponsored activities in the following order:
 - 1) Programs, projects, or activities the awarding agency sponsors
 - 2) Programs, projects, or activities other federal/state agencies sponsor

The CFO shall approve the disposal of all capitalized fixed assets that may be worn-out or obsolete. Property that is discovered to be missing or stolen will be reported immediately to the CFO. If not located, this property will be written off the books with the proper notation specifying the reason.

Equipment purchased by Children's Forum, Inc. with federal/state funds that is no longer needed for the original project or program or for other activities currently or previously supported by the awarding agency will be disposed of in accordance with the terms and conditions of the awarding agency. The following dispositions processes are developed in accordance with 45 CFR Part 75.320(e):

- (1) Items of equipment with an acquisition cost of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.
- (2) All equipment items in excess of \$5,000 proposed to be disposed must obtain prior written approval by the awarding agency and request disposition instructions.
- (3) If the awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value in excess of \$5,000 may be retained or sold. The awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, with the permission of the awarding agency, \$500, or ten percent, whichever is less, of the proceeds of the awarding agency's share expressed in the percentage of participation in the cost of the original purchase will be deducted and retained for selling and handling expenses.

Items for disposal by Children's Forum's, Inc. affiliates and subcontractor in excess of \$1,000 must receive prior approval by the Children's Forum, Inc. Contract Manager and CFO.

Policy: **Classification of Leases**

Policy Number: **12.6**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

It is the policy of Children's Forum, Inc. to classify all leases in which the Organization is a lessee as either capital or operating leases. Children's Forum, Inc. shall utilize the criteria described in Statement of Financial Accounting Standards No. 13 in determining whether a lease is capital or operating in nature. Under those criteria, a lease shall be treated as a capital lease if, at the time of entering into the lease, any of the following factors are present:

1. The lease transfers ownership to Children's Forum, Inc. at the end of the lease term;
2. The lease contains a bargain purchase option;
3. The lease term is equal to 75% or more of the estimated economic life of the leased property; or
4. The present value of the minimum lease payments is 90% or more of the fair value of the leased property (using, as the interest rate, the lesser of Children's Forum, Inc.'s incremental borrowing rate or, if known, the lessor's implicit rate).

All leases that do not possess any of the four preceding characteristics shall be treated as operating leases. In addition, all leases that are immaterial in nature shall be accounted for as operating leases.

Policy: **Accounting for Leases**

Policy Number: **12.7**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

All leases that are classified as operating leases and immaterial capital leases shall be accounted for as expenses in the period in which the obligation to make a lease payment is incurred. For leases with firm commitments for lease payments that vary over the term of the lease (i.e. a lease with fixed annual increases that are determinable upon signing the lease), the amount that Children's Forum, Inc. shall recognize as monthly lease expense shall equal the average monthly lease payment over the entire term of the lease. Differences between the average monthly payment and the actual monthly payment shall be accounted for as an asset or liability of Children's Forum, Inc.

All leases that are classified as capital leases shall be treated as fixed asset additions of Children's Forum, Inc. As such, upon the inception of a capital lease, Children's Forum, Inc. shall record a fixed asset and a liability under the lease, based on the net present value of the minimum lease payments (or the fair value of the leased asset, if it is less than the present value of the lease payments). Periodic lease payments shall be allocated between a reduction in the lease obligation and interest expense. The fixed asset recorded under a capital lease shall be depreciated over the term of the lease, using the straight-line method of depreciation.

Policy: Identification of Liabilities

Policy Number: 12.8

Date Approved: 01/01/04

Date Revised: 07/01/07

The Fiscal department shall establish a list of commonly incurred expenses that may have to be accrued at the end of an accounting period.

The Children's Forum, Inc. shall record a liability for deferred revenue (revenue received but not yet earned) in accordance with the revenue recognition policies described elsewhere in this manual. Adjustments to deferred revenue accounts shall be made monthly.

The Children's Forum, Inc. shall record a liability for accrued leave to which employees are entitled. The total liability at the end of an accounting period shall equal the total earned but unused hours of leave multiplied by each employee's current hourly pay rate.

Policy: Transfer of Property & Property Records

Policy Number: 12.9

Date Approved: 03/29/16

Date Revised:

Property custodian must document the transfer of grant-purchased property from one office to another, or from one location to another within the same funder. Custodian will update the new physical location on the Master Property Inventory List and the Property Tag Assignment Form. The custodian must transfer to a disposed property file, upon item disposition, the individual property record for each item. This property record must be maintained for 5 years following disposition.

13. FINANCIAL AND TAX REPORTING

Policy: **Financial Statements**

Policy Number: **13.1**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

The basic financial statements of Children's Forum, Inc. that are maintained on an organization-wide basis shall include:

1. **Statement of Financial Position** - reflects assets, liabilities and net assets of the organization and classifies assets and liabilities as current or non-current/long-term
2. **Statement of Activities** - presents support, revenues, expenses, and other changes in net assets of the organization, by category of net asset (unrestricted, temporarily restricted and permanently restricted)

The objective of the Fiscal department is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner. In meeting this responsibility, the following policies shall apply:

A standard set of financial statements described in the preceding section shall be produced on a monthly basis. The standard set of financial statements described in the preceding section shall be supplemented by the following schedules:

1. Individual statements of activities on a program/grant basis
2. Comparisons of actual year-to-date revenues and expenses with year-to-date budgeted amounts

The monthly set of financial statements shall be prepared on the accrual method of accounting, including all receivables, accounts payable received by the 10th of the month, and actual depreciation expense.

All financial statements and supporting schedules shall be reviewed and approved by the CFO prior to being issued by the Fiscal department and shall be distributed to the President/CEO as well as to Department Managers and any other employee with budget-monitoring responsibilities.

The CFO shall provide a formal presentation of the Organization's annual financial statements to the full Board of Directors.

Policy: **Government Returns**

Policy Number: **13.2**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

Children's Forum, Inc. shall comply with all tax and information return filing obligations of federal, state and local jurisdictions. Filing requirements of Children's Forum, Inc. include, but are not limited to, filing annual information returns with IRS, state charitable solicitation reports, annual reports for corporations, property tax returns, income tax returns, sales tax returns, information returns for retirement plans, annual reporting of compensation paid, and payroll tax withholding tax returns.

The CFO shall be responsible for identifying all filing requirements and assuring that Children's Forum, Inc. is in compliance with all such requirements.

It is also the policy of Children's Forum, Inc. to file complete and accurate returns with all authorities. Children's Forum, Inc. shall make all efforts to avoid filing misleading, inaccurate or incomplete returns.

Filings made by Children's Forum, Inc. include, but are not limited to, the following returns

1. **Form 990** - Annual information return of tax-exempt organizations, filed with IRS. Form 990 for Children's Forum, Inc. is due on the fifteenth day of the fifth month following year-end. An automatic 3-month extension of time to file Form 990 may be obtained filing Form 8868. Upon expiration of the first 3-month extension, a second 3-month extension may be requested using Form 8868.
2. **Form 5500** - Annual return for Children's Forum, Inc.'s employee benefit plans. Form 5500 is due July 31, but a request for extension of time to file may be filed.
5. **W-2's and 1099's** - Annual report of employee and non-employee compensation, based on calendar-year compensation, on the cash basis. These information returns are due to employees and independent contractors by January 31 and to federal government by February 28.
6. **Form 941** - Quarterly payroll tax return filed with IRS to report wages paid to employees and federal payroll taxes. Form 941 is due by the end of the month following the end of each quarter, or 10 days later if all payroll tax deposits have been made in a timely manner during the quarter.

It is the policy of Children's Forum, Inc. to comply with all state payroll tax requirements by withholding and remitting payroll taxes to the state of residency of each Children's Forum, Inc. employee.

Policy: Public Access to Information Returns

Policy Number: 13.3

Date Approved: 01/01/04

Date Revised: 07/01/07

Under regulations that became effective in 1999, Children's Forum, Inc. is subject to federal requirements to make the following forms "widely available" to all members of the general public:

1. The three most recent annual information returns (Form 990), excluding the list of significant donors (Schedule B) that is attached to the Form 990, but including the accompanying Schedule A, and
2. Children's Forum, Inc.'s original application for recognition of its tax-exempt status Form 1023/1024 filed with IRS, and all accompanying schedules and attachments.

Children's Forum, Inc. shall comply with the federal requirements to make its forms widely available by posting all required forms on the World Wide Web site www.guidestar.org and referring all requesters to this Web site within 7 days of receipt of any request for copies. In addition to making its returns widely available on this Web site, Children's Forum, Inc. will also permit visual inspections of its returns to anyone personally appearing at the Organization's offices during normal working hours and making such a request.

Policy: **Unrelated Business Activities**

Policy Number: **13.4**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

It is the policy of Children's Forum, Inc. to properly identify and classify income-producing activities that are unrelated to the Organization's tax-exempt purpose using the guidelines described in the Internal Revenue Code and underlying regulations. Such income accounts shall be segregated in separate accounts in the general ledger of Children's Forum, Inc. in order to facilitate tracking and accumulation of unrelated trade or business activities.

Also it is the Policy of Children's Forum, Inc. to file IRS Form 990-T to report taxable income from unrelated trade or business activities. Form 990-T is not subject to any public access or disclosure requirements. Accordingly, it is the policy of Children's Forum, Inc. not to distribute copies of Form 990-T to anyone other than management of the Organization.

14. FINANCIAL MANAGEMENT POLICIES

Policy: **Budgeting**

Policy Number: **14.1**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

It is the policy of Children’s Forum, Inc. to prepare an annual budget on the accrual basis of accounting. Development of the budget shall be coordinated by the CFO in collaboration with all Department Managers. The budget shall be submitted to the Board of Directors for adoption.

It is the policy of Children’s Forum, Inc. to monitor its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the monthly financial reporting process described earlier.

On a quarterly basis, financial reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amounts shall be produced by the Fiscal department and distributed to each manager with budgetary responsibilities.

Policy: Annual Audit

Policy Number: 14.2

Date Approved: 01/01/04

Date Revised: 07/01/07

It is the policy of Children's Forum, Inc. to arrange for an annual audit of the Organization's financial statements to be conducted by an independent accounting firm. The independent accounting firm selected by Children's Forum, Inc. will be required to communicate directly with the Organization's Board of Directors upon the completion of their audit.

Audited financial statements, including the auditor's opinion thereon, shall be submitted and presented to the Board of Directors by the independent accounting firm.

Children's Forum, Inc. shall be actively involved in planning for and assisting with the Organization's independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the Fiscal department shall provide assistance to the independent auditors in the following areas:

Planning - The CFO is responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. Assignments shall be based on the list of requested schedules and information provided by the independent accounting firm.

Involvement - Organization staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.

Interim Procedures - To facilitate the timely completion of the annual audit, the independent auditors may perform selected audit procedures prior to the Organization's year-end. By performing significant portions of audit work as of an interim date, the work required subsequent to year-end is reduced. Organization staff will do as much work as possible in order to provide requested schedules and documents and to otherwise assist the auditors during any interim audit fieldwork that is performed.

Throughout the audit process, it shall be the policy of Children's Forum, Inc. to make every effort to provide schedules, documents and information requested by the auditors in a timely manner.

Policy: **Selection of Auditors**

Policy Number: **14.3**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

Children's Forum, Inc. shall review the selection of its independent auditor in the following circumstances:

1. Anytime there is dissatisfaction with the service of the current firm
2. When a fresh perspective and new ideas are desired
3. Every 5 years to ensure competitive pricing and a high quality of service (this is not a requirement to change auditors every five years; simply to re-evaluate the selection)

The following factors shall be considered by Children's Forum, Inc. in selecting an accounting firm:

1. The firm's reputation in the nonprofit community
2. The depth of the firm's understanding of and experience with not-for-profit organizations and federal reporting requirements under OMB Circular A-133
3. The firm's demonstrated ability to provide the services requested in a timely manner
4. The ability of firm personnel to communicate with Organization personnel in a professional and congenial manner

Policy: **Insurance**

Policy Number: **14.4**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

It is the policy of Children's Forum, Inc. to maintain adequate insurance against general liability, as well as coverage for buildings, contents, computers, fine arts, equipment, machinery and other items of value.

As a guideline, Children's Forum, Inc. will arrange for the following types of insurance as a minimum:

- Comprehensive Liability
- Employee dishonesty/bonding (if required)
- Fire and Water Damage
- Directors and Officers
- Omissions and errors
- Theft
- Workers' Compensation

Policy: Record Retention

Policy Number: 14.5

Date Approved: 01/01/04

Date Revised: 8/24/16

It is the policy of Children’s Forum, Inc. to retain records as required by law and to destroy them when appropriate. The retention periods set forth in accordance with the State of Florida General Records Schedule GS1-SL for State and Local Agencies, Rule 1B-24.003(1)(a), F.A.C., federal and state laws and regulations, general administrative practices, fiscal management principles and contractual obligations.²

It is a crime to alter, cover up, falsify, or destroy any document to prevent its use in an official proceeding (e.g. federal investigation or bankruptcy proceedings). The destruction of records must be approved by the CFO.

The scope of Children’s Forum, Inc. records retention policy includes records created or maintained by sub-recipients and subcontractors of the Children’s Forum, Inc. Therefore, sub-recipients and subcontractors are required to follow the same terms and conditions regarding maintenance and retention of records pertinent to their contractual agreements with the Children’s Forum, Inc.

Records retention applies to records regardless of their physical format. In the event that Children’s Forum, Inc. or any of the parties of its contractual agreements can reasonably anticipate or has entered into litigation on a particular issue pertinent to the scope of the contractual agreement, the effected party should immediately notify Children’s Forum, Inc. Once the notification has been received, a hold on disposition of any and all records pertinent to the contractual agreement with the effected party will be placed immediately, and records will be maintained until the litigation is ongoing regardless of the adopted records schedule.

The formal records retention policy of Children’s Forum, Inc. is as follows:

Accounts Payable Ledgers	7 Years
Accounts Receivable Ledgers	7 Years
Accident reports/claims (settled cases)	7 Years
Audit reports	Permanently
Bank reconciliations	7 Years
Bank statements	7 Years
Chart of Accounts	Permanently
Contracts, mortgages, notes and leases:	
Expired	7 Years (from expiration)
Correspondence:	
Legal and important matters	Same as associated documents/matter

² Children’s Forum, Inc. follows the standard five year records retention term and elects to impose a more restrictive retention period to retain records for a longer period of time when necessary, in accordance with contractual obligations.

Deeds, mortgages and bills of sales	Permanently
Depreciation schedules	Permanently
Employment applications	45 days
Financial statements:	
Year end	Permanently
Garnishments	Permanently (with payroll)
General ledgers/year end trial balance	Permanently
Insurance policies (expired)	3 Years (from expiration)
Insurance records (claims, etc.)	Permanently
Inventories of products, materials and supplies	7 Years
Invoices (to customers, from vendors)	7 Years
Journals	Permanently
Board of Directors Minutes of bylaws and charters	Permanently
Notes receivable ledgers and schedules	7 Years
Payroll records and summaries	Permanently
Personnel records	Permanently
Property records (incl. depreciation schedules)	Permanently
Purchase orders	7 Years
Retirement and pension records	Permanently
Sales records	7 Years
Subsidiary ledgers	7 Years
Tax returns and worksheets, examination reports and other documents relating to determination of income tax liability	Permanently
Time sheets/cards	Permanently
Trademark registrations and copyrights	Permanently
Withholding tax statements	Permanently

Policy Number: 14.6

Date Approved:

Date Revised: 11/3/16

Children's Forum, Inc. policy regarding confidentiality of records and its safeguarding adheres to the Florida Information Protection Act of 2014 (FIPA), Section 501.171, F.S., 2 CFR 200.335 Methods of Collection, Transmission and Storage of Information, the Office of Early Learning's Program Guidance 101.02, *Records Confidentiality* and 5.05.02.17, *Physical and Environmental Security*.

Confidential information includes:

Entire record systems, specific records or individually identifiable data that by law are not subject to public disclosure under Article I, Section 24 of the Florida Constitution and Chapter 119, F.S. When applicable, confidentiality covers all documents, papers, computer files, letters and all other notations of records or data that are designed by law as confidential. Confidential records may include, but are not limited to, social security numbers, parent and child information, payments, childcare providers, household demographics and resource and referrals, which are private and confidential and may not be disclosed to others.

Personal information that is considered confidential means either of the following:

An individual's first name or first initial in combination with either of the following:

1. Social Security Number
2. A driver's license or identification number, passport number, military identification number, or other similar number issued on a government documents used to verify identity;
3. A financial account number or credit or debit card number, in combination with any required security code, access code, or password that is necessary to permit access to an individual's financial account
4. Any information regarding an individuals' medical history
5. An individual's health insurance policy number or subscriber identification number an any unique identifier
6. A user name or e-mail address, in combination with a password or security question and answer that would permit access to an online account

Confidential records, personally identifiable information (PII) and protected personally identifiable information (PPII) follow the definitions found in the Office of early Learning Program Guidance 101.02, *Records Confidentiality*.

Whenever practicable, information federal and state award-related information will be collected, transmitted and stores in open and machine readable formats.

Good faith access of personal information by an employee or agent of the Children's Forum, Inc. is allowable and does not constitute a breach of security.

Policy: Public Records Requests

Policy Number: 14.7

Date Approved:

Date Revised: n/a

As defined by Florida Statute in pertaining to governmental agencies, "public records" means all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business, Section 119.011(12), F.S. Records such as policies, program results, computer records, e-mails, Facebook and text messages are also included, unless specifically exempted in state statute.

Per Section 119.0701(3)(a), F.S., a request to inspect or copy public records relating to a public agency's contract for services must be made directly to the public agency. If the public agency does not possess the requested records, the public agency shall immediately notify the contractor of the request, and the contractor must provide the records to the public agency or allow the records to be inspected or copied within a reasonable time.

As a fiduciary arm of the federal and state agencies in the scope of its contractual agreements, and as an organization entrusted with the commitment to expend public funds awarded by the federal and/or state governmental agency, the Children's Forum, Inc. elects the following instructions for processing public records requests:

- a. Inquiries for public record requests will be responded to in a timely fashion, requests will not be required to be submitted in a written form, requestor will not be required to be physically present to inspect requested records
- b. Only records that are maintained by the Children's Forum, Inc. pertinent to its official business of expending public funds will be provided
- c. The Children's Forum will not release record(s) that are exempt from public record and will notify the requestor of the basis for its refusal to release the requested exempt record(s)

The custodian responsible for processing public record requests and safeguarding the records currently in place will be the Contract Manager responsible for the contract associated with the requested records. The custodian of public records or the person having custody of the records may designate another staff member to oversee the inspection and copying of public records and will disclose the identity of the designee to the person requesting the records.

Records access, inspection and examination are allowed as described in Section 119.07, F.S.

Public records may be copied upon payment of the following fees:

1. Up to 15 cents per one-sided copy for duplicated copies of not more than 14 inches by 8 1/2 inches;
2. No more than an additional 5 cents for each two-sided copy; and
3. For all other copies, the actual cost of duplication of the public record.
 - If extensive use of information technology resources or extensive clerical or supervisory assistance is required, Children's Forum, Inc. may charge, in addition to the actual cost of duplication, a reasonable special service charge based on the cost incurred for the use of information technology resources or the labor cost of the personnel providing the service

Records exempted from inspection or copying are identified in accordance with Section 119.071, F.S.

Policy: **Contract Execution and Management**

Policy Number: **14.8**

Date Approved: **10/11/10**

Date Revised: 12/5/2016

Contract/Grant Agreements

The majority of the Children's Forum's activities are funded by contracts and grant agreements with local, state and federal agencies, foundations and non-profit organizations. In some cases, the only funding document is a purchase order from another agency.

Only the President/CEO of the Forum is authorized by the Board to execute or sign such funding agreements, and bind the agency to external commitments. No other employee may execute a funding agreement, unless authority has been specifically delegated for that purpose. All contracts between Children's Forum, Inc. and outside parties must be reviewed and approved by the Department Manager and the President/CEO. Only the CEO or her/his designee is authorized to enter into any contract on behalf of Children's Forum, Inc.

The Children's Forum employs program managers and directors, who are responsible for the day-to-day implementation of programs funded by these agreements. The Contracts and Grants Administrator and other fiscal staff work with program managers and directors to ensure that the Forum protects the funds it receives, and is in compliance with all applicable state and federal laws, rules, and regulations.

Contract/Grant Files

The Forum policy is to establish a contract file to document the life of a funding agreement following the guidelines of 45 CFR § 75.327(a); 45 CFR § 75.329; and 45 CFR § 92.36 and s. 287.057(15), F.S. Required documentation shall be maintained based on applicable grant program laws, rules, regulations and guidance. A contract file is a chronological record which holds relevant information related to a contract from the time it is awarded until contract closeout. The agency contract file is maintained by the Contracts and Grants Administrator, and is retained for seven (7) years from the closeout date of the contract/grant. This is the official file record for such information and must include, if applicable, but is not limited to:

- An original copy of the executed contract (if available) or a copy, or an original notice of grant award (if available) or a copy, along with any referenced attachments;
- Original copies (if available) or copies of any amendments, renewals, or extensions;
- Funder contact information;
- A schedule of dates for deliverables, reporting, invoicing, and the contract period;
- A copy of any vendor/sub-recipient determination made by the Forum;
- Renewals;
- Bonds;
- Insurance;
- Documentation of all invoices, payments, and associated financial documents (including policies and purchasing limits), unless maintained in separate files due to size considerations;
- Contract relationship (contractor v. sub recipient) (per Ch. 69I-5.006, F.A.C. and 45 CFR Part 75.351)
- Provider's justification for need for advance, if applicable;
- Copies of reports or deliverables submitted by the Forum in accordance with the contract/grant agreement;
- Copies of any monitoring reports provided by the funder;
- Copies of any corrective action plan submitted by the Forum;
- Copies of significant contract/grant related correspondence;
- Vendors/subcontractors;
- Subrecipients;

- Documentation for Authorization of work:
 - No work authorized until contract is fully approved and executed.
 - No change in work is authorized until contract is fully approved and executed contract amendment is in place.
 - No contract amendment for work will be executed without required review/approval based on related policies/limits and any related grant terms from funding source.

Contracts/Grants Management

Children's Forum, Inc. shall assign an employee to each contract/grant as the program manager or director, who directs program services and is the primary point of contact for program issues. The Forum's Contracts and Grants Administrator, and any other Contract Manager(s) and/or Contract Specialist(s), are responsible for negotiating, monitoring, and ensuring compliance with the contract terms and conditions and are the administrative liaison with the funder. The Contract Administrator and Manager(s) (Specialists) are the primary point of contact through which all contracting information flows between the Forum and the funder. All actions related to the contract shall be initiated by or coordinated with the Contract Administrator. The Contract Administrator and the Contract Manager(s)/Specialist(s) have the following responsibilities:

Contract Administrator:

- Create and maintain a contract file;
- Maintain financial information on all contracts;
- Manage changes to contract(s);
- Serve as liaison between the contract/grant manager and the entity and the funder;
- Provide clear, explicit and documented communication;
- Work with program managers to develop program proposals and grant applications;
- Navigate any competitive procurement requirements;
- Design program budgets that are adequate to support the intended activities and outcomes;
- Read and interpret all funding agreements, including applicable laws, regulations and rules;
- Work with program managers to negotiate final terms and conditions of funding agreements prior to execution;
- Determine whether the Children's Forum is a vendor/contractor or a subrecipient of contract/grant funds;
- Assign budget codes and distribution codes, and enter contract budgets into the accounting system;
- Work with program managers to ensure compliance with all contract/grant terms and conditions;
- Coordinate and/or negotiate any amendments, renewals, or extensions to the contract.

Contract Manager(s)/Specialist(s):

- Serve as liaison with the provider/contractor;
- Maintain a contract management file pursuant to CFO Memo No. 06 (2011-12)
- Provide written certification that goods were received / services were obtained per terms and conditions before making payment;
- Prepare and submit invoices and associated documentation for payment;
- Provide financial reports to program managers;
- Maintain the official contract file;
- Ensure that any applicable contract/grant terms or conditions are passed on to subcontractors;
 - Planning and monitoring phases for risk assessments
 - Additional Disclosures and special conditions
- Work with program managers to ensure all required closeout procedures are completed in a timely fashion;

- Ensure Conflict of Interest for: a) Forum Governing Board members, b) Forum employees, c) relative(s) of either group as defined in statutes and d) organizational conflict is disclosed (if applicable);
- Manage problems with vendor/contractor performance;
- Follow Contract Termination procedures

The fiscal staff regularly reviews expenditures on each contract/grant to ensure that purchases are authorized and supported in accordance with the funding agreement and any laws or rules.

Day-to-day management of contract documents expending federal and state monies shall be performed in accordance with s. 287.057(15), F.S. ; DFS FCCM Manual; 0A-1, FAC; 45 CFR Part 75.327(a); 45 CFR Part 75.329.

If the Forum is considered a subrecipient under any contract/grant agreement, the contract manager also works with the funding agency to ensure that appropriate monitoring is carried out by their staff or delegate.

Contract Closeout

It is recommended that contract closeout procedures begin 60 days prior to the end date of the funding agreement. The purpose of the closeout process is to document the success of the program, and to ensure that all commitments made in the funding agreement are met.

Contract closeout is a joint responsibility of the program manager and the contract manager. Together, they ensure

- all contract/grant deliverables have been completed and delivered;
- all reports have been completed and delivered;
- all discrepancies have been corrected and recognized;
- every change order/amendment has been reconciled;
- all invoices have been submitted and paid, except the final invoice;
- the budget has been reconciled and any necessary revisions have been submitted;
- any property purchased under the contract/grant that must be returned has been identified and delivered, or released by the funder;
- all legal disputes have been settled;
- the final invoice is submitted and paid.

**15. ADDITIONAL POLICIES
PERTAINING TO FEDERAL
AWARDS AND STATE
CONTRACTS**

Policy: Administration of Federal Awards

Policy Number: 15.1

Date Approved: 01/01/04

Date Revised: 07/01/07

There are several types of agreements through which Children's Forum, Inc. may receive financial assistance from a donor/grantor agency:

Grant: A financial assistance award given to the organization to carry out its programmatic purpose.

Contract: A mutually binding legal agreement where the organization agrees to provide supplies or services and the donor agrees to pay for them.

Cooperative Agreement: A legal agreement where the organization implements a program with the direct involvement of the donor.

Throughout this manual, federal assistance received in any of these forms will be referred to as a federal "award."

Preparation and Review of Proposals

Individual departments are responsible for preparing proposals for projects that the department intends to pursue. However, all proposals shall be reviewed by the CFO prior to submission to government agencies or other funding sources. Final proposals shall be reviewed and approved in writing by the President/CEO.

Post-Award Procedures

After an award has been made, the following steps shall be taken:

1. Verify the specifications of the grant or contract. The Contracts Manager shall review the terms, time periods, award amounts and expected expenditures associated with the award. A CFDA (*Catalog of Federal Domestic Assistance*) number shall be determined for each award. All reporting requirements under the contract or award shall be summarized.
2. Create new general ledger account numbers. New accounts shall be established for the receipt and expenditure categories in line with the grant or contract budget.
3. Gather documentation. A file is established for each grant or contract. The file contains the proposal, all correspondence regarding the grant or contract, the final signed award document and all reports submitted to the funding sources.

Compliance with Laws, Regulations and Provisions of Awards

Children's Forum, Inc. recognizes that as a recipient of Federal funds, the Organization is responsible for compliance with all applicable laws, regulations, and provisions of contracts and grants. To ensure that the Organization meets this responsibility, the following policies apply with respect to every grant or contract received directly or indirectly from a Federal agency:

1. For each Federal award, an employee of the Children's Forum, Inc. within the department responsible for administering the award will be designated as "Grant/Project Manager" (GPM).
2. The Contracts Manager shall take the following steps to identify all applicable laws, regulations, and provisions of each grant and contract:
 - a. Read each award for key compliance requirements and references to specific laws and regulations.
 - b. Review the "OMB Circular A-133 Compliance Supplement" (updated annually) published by the Office of Management and Budget (OMB) for compliance requirements unique to the award and for compliance requirements common to all Federal awards.
 - c. Review the section of the Catalog of Federal Domestic Assistance applicable to the award.
3. The Fiscal department shall make available copies of applicable laws regulations to the GPM (such as OMB Circulars, pertinent sections of compliance supplements, and other regulations).
4. The GPM and/or the Children's Forum, Inc. Fiscal department shall identify and communicate any special changes in policies and procedures necessitated by Federal awards as a result of the review of each award.
5. The Contracts Manager shall take all reasonable steps necessary to identify applicable changes in laws, regulations, and provisions of contracts and grants. Steps taken in this regard shall include, but not be limited to, reviewing subsequent grant and contract renewals, reviewing annual revisions to the "OMB Circular A-133 Compliance Supplement", and communications with Federal awarding agency personnel.
6. The Contracts Manager shall cooperate with the Organization's Independent Auditors by informing the CPA firm as to applicable laws, regulations, and provisions of contracts and grants and communicating known instances of noncompliance with laws, regulations, and provisions of contracts and grants to the auditors.

Policy: **Billing and Financial Reporting**

Policy Number: **15.2**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

Children's Forum, Inc. strives to provide management, staff and funding sources with timely and accurate financial reports applicable to federal awards. These reports include monthly and cumulative expenditures, a project budget, and a balance remaining column.

Children's Forum, Inc. shall prepare and submit financial reports as specified by the financial reporting clause of each grant or contract award document. Preparation of these reports shall be subject to review and approval by CFO.

The following policies shall apply to the preparation and submission of billings to federal agencies under awards made to Children's Forum, Inc.:

1. It is the policy of Children's Forum, Inc. to request reimbursement after expenditures have been incurred, unless an award specifies another method.
2. Each award normally specifies a particular billing cycle. A schedule is established for each grant and contract to ensure that reimbursement is requested on a timely basis along with any other reporting that is required in addition to the financial reports.
3. Requests for reimbursement of award expenditures will use the actual amounts as posted to the general ledger as the source for all invoice amounts.
4. All financial reports required by each federal award will be prepared and filed on a timely basis. To the extent Children's Forum, Inc.'s year-end audit results in adjustments to amounts previously reported to federal agencies, revised reports shall be prepared and filed in accordance with the terms of each federal award.

Children's Forum, Inc. shall maintain separate billing records in addition to the official general ledger accounting records. Billing records shall be reconciled to the general ledger on a monthly basis.

At the time invoices (requests for reimbursement) are prepared, revenue and accounts receivable shall be recorded on the books of Children's Forum, Inc.

If a federal award authorizes the payment of cash advances to Children's Forum, Inc., the CFO may request that a request for such an advance be made. Upon receipt of a cash advance from a federal agency, Children's Forum, Inc. shall reflect a liability equal to the advance. As part of the monthly close-out and invoicing process, the liability shall be reduced, and revenue recognized, in an amount equal to the allowable costs incurred for that period.

Policy: Procurement under Federal Awards

Policy Number: 15.3

Date Approved: 01/01/04

Date Revised: 11/02/16

All procurement transactions will be conducted in a manner that allows for full, open and fair competition. The procurement of goods and services shall be performed based on applicable laws, rules, regulations and grant provisions that reasonably ensure that goods/services are received as intended and when intended. Procurement of goods and services whose costs are charged to federal awards received by Children's Forum, Inc. are subject to all of the specific Children's Forum, Inc. purchasing policies described earlier, under "Purchasing Policies and Procedures". In addition, procurements associated with Federal awards are subject to the following supplemental policies:

1. Purchases shall be made using one of the allowed methods of federal procurement. Children's Forum, Inc. shall avoid purchasing items that are not necessary for the performance of the activities required by a Federal award.
2. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal government. Children's Forum, Inc. shall prioritize the use of federal excess and surplus property instead of purchasing new equipment and property when possible and if such activity helps reduce program/project costs per 2 CFR Part 200.318(f).
3. Documentation of the cost and price analysis associated with each procurement decision shall be retained in the procurement files pertaining to each Federal award.
4. When possible, state and local inter-entity agreements to procure common or shared goods and services will be utilized. State or geographical preferences in the evaluation of bids or proposals except where federal statutes mandates or encourages it will not be used.
5. For all procurements in excess of the small purchase acquisition threshold (currently \$100,000), procurement records and files shall be maintained the include all of the following:
 - a. The basis for contractor selection.
 - b. Justification for lack of competition when competitive bids or offers are not obtained.
 - c. The basis for award cost or price.
6. Children's Forum, Inc. shall make all procurement files available for inspection upon request by the Federal Awarding Agency or pass-through entity.
7. All contracts with vendors shall require the vendor to certify in writing that it has not been suspended or disbarred from doing business with any federal agency.

8. Procurement shall comply with bonding requirements for construction-related contracts and instructions for procurement of recovered materials.

All procurements are governed by the Organizations policy on Conflicts of Interest, 2.2. Written standards for handling instances of conflict of interests for employees/others impacted by procurement activities shall be maintained in accordance with 2 CFR Part 200.318.

Children's Forum, Inc. shall not utilize the "cost-plus-a-percentage-of-cost" method of contracting with vendors.

All other policies and procedures associated with procurement under Federal awards shall be governed by the policies applicable to all purchases of Children's Forum, Inc., described in the section of this manual on "Policies Associated with Expenditures and Disbursements."

Policy: Procurement under State Contracts

Policy Number: 15.4

Date Approved:

Date Revised: 12/05/16

Procurement of goods and services whose costs are charged to state contracts received by Children's Forum, Inc. are subject to all of the specific Children's Forum, Inc. purchasing policies described earlier, under "Purchasing Policies and Procedures." Policies regarding such procurement of goods and services shall be compliant with the laws and definitions provided in s. 287.057, F.S. and Rule 60A-1.002, F.A.C., regarding procurement of commodities and contract services and all staff shall abide by these statutory requirements.

Policies shall promote and support activities that meet the legislative intent of Florida's procurement laws provided in s. 287.001, F.S., as summarized here:

- To promote fair and open competition without favoritism.
- To ensure that public funds are spent wisely via adequate documentation and effective monitoring mechanisms.
- To establish uniform procedures to ensure effective and ethical procurement of contractual services; and
- To ensure improprieties are curbed and public confidence is maintained.

Children's Forum, Inc. shall comply with disclosure requirements for all agreements funded by federal and state monies passed-through the State Treasury as provided in s. 215.971, F.S. ,and with minimum disclosure requirements for contracts and purchase orders in excess of the threshold amount described in s. 287.017, F.S. for Category Two (\$35,000).

Procurement with related party consideration [s. 1002,84(20), F.S.]

Children's Forum, Inc. does not engage in contracts with related party consideration.

Children's Forum, Inc. Purchasing & Procurement Matrix³

Category and Range of Purchase	Required Approvals	Solicitation Requirements
Category 1 <\$2,500	Program Director Fiscal Department CEO >\$1000	1 quote (written or telephone)
Category 1 \$2,501-\$20,000	Program Director Fiscal Department CEO	3 written quotes or informal bids
Category 2 \$20,001-\$35,000	Program Director Fiscal Department CEO	Competitive solicitation, formal bids (RFP), no sealed bids
Category 3 \$35,001-\$65,000	Program Director Fiscal Department CEO	Competitive solicitation, formal bids (RFP), no sealed bids
Category 4 \$65,001-\$195,000	Program Director Fiscal Department CEO	Competitive solicitation, formal bids (RFP), no sealed bids
Category 5 \$195,000-\$325,000	Program Director Fiscal Department CEO	Competitive solicitation, formal bids (RFP), no sealed bids

³ Authority: Chapter 287, F.S.

Requirements for small purchases [45 CFR Part 92.36(f); 45 CFR Part 75.439(b)(2); 45 CFR Part 75.302(b)(3)]

Micro-purchase transactions (up to \$2,500.00 for OEL transactions)

Files shall include the following items:

- Prior approval for equipment purchases in excess of the approved capitalization threshold
- Documentation of small purchase transactions by one or more of the following items:
 - a. Sales receipt
 - b. Current catalogs
 - c. Quote

Requirements for bid and competitive proposals [45 CFR Part 75.329]

Procurement files include all of the following items:

- Public notice
- Copy of RFP
 - Technical Requirements
 - Statement of Work
 - Cost Requirements
 - Evaluation Criteria
- Proposals Submitted
- Evaluation of Proposals
- Board Approval of Contracts (as applicable)
- Contract Negotiations (*if different than proposed price*)
- Award of contract to lowest bidder who met the technical requirements/specifications

Requirements for sole source or other non-competitive proposals [45 CFR Parts 75.329(f) and 75.332; s. 216.3475, F.S.]

- Documentation of entity's determination criteria for a sole-sourced transaction.
 - The item is only available from one single source;
 - The public emergency precludes delay resulting from competitive solution (for example, a flood at a local FORUM administrative office or large local service provider requires the immediate acquisition of additional services);
 - OEL or USDHHS gave written authorization for non-competitive proposals; and
 - After solicitation of a number of sources, competition is determined inadequate.
- Cost analysis, (i.e., verifying the proposed scope of work or goods/services data and the evaluation of the specific elements of costs and negotiating profit (if applicable)) is required. *Note: Grant rules state this is a mandatory task for sole source procurement. A cost/price analysis should be completed by staff prior to receiving any bid or fee information.*

Requirements for professional services [2 CFR part 200.459]

Files shall include:

- The nature and scope of the service rendered in relation to the service required;
- The need to contract for the service, considering the Entity's capability in the particular area;
- The past pattern of such costs, particularly in the years prior to Federal awards;
- The impact of Federal awards on the non-Federal entity's business (*i.e.*, what new problems have arisen), if applicable;
- Whether the decision is business-based and not made just because grant monies are available to fund the cost;
- If the service can be performed more economically by direct employment rather than contracting;
- The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-federally funded activities; and

- Adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation, and termination provisions).
- In addition, retainer fees must be supported by evidence of bona fide services available or rendered.

Required contents for Procurement files [DMS State Purchasing Memo No. 01 (2012-13); State Purchasing, Ch. 60A-1, FAC, s. 216.3474, F.S.; FDOE Contract Training Manual]

1. Planning/procurement files must obtain/document the following elements.
 - a. Purchase order must have at least one written quote or written records of telephone quote;*
 - b. At least one quote should be from a CMBE or else document why this quote was not obtained; *
 - c. Cost analysis is required, since a competitive process won't be used for most small dollar purchases;*
 - d. Rationale for method of procurement;
 - e. Selection of contract type;
 - f. Contractor selection or rejection; and
 - g. The basis for the contract price.

2. Purchase orders, contracts or other agreement files must obtain/document the following elements.
 - a. Quantity, description, price, applicable payment terms, applicable discount(s), date of performance, transportation/shipping arrangements, and other pertinent information.
 - b. Additional purchase order terms/disclosures, required regardless of the scoped goods/services.
 - 1) Liquidated damages/financial consequences
 - 2) Payment audit (records of costs will be available upon request)
 - 3) Payment made after written "agency" acceptance
 - 4) Payment timeframe – timely payments
 - 5) Funding availability/annual appropriation
 - 6) No lobbying
 - 7) Public access/public records
 - 8) Conduct of business – federal/state laws govern
 - 9) Conflict of interest/related party activities
 - 10) Confidentiality and safeguarding information
 - c. Other/additional terms may also apply based on scoped goods/services.
 - d. If credit card transactions occur all the standards noted here will still apply.

Required procurement files retention instructions [2 CFR Parts 200.333 - .336]:

1. All records must be maintained for at least five years after the impacted program year, if "closed."
2. Records retention schedules apply regardless of the physical format of entity records.
3. Wherever practicable records should be collected, transmitted and/or stored in open and machine readable formats.
4. Federal and state awarding agencies have the right to access any documents pertinent to federal/state awards.
5. All records must be maintained for five (5) years after the impacted program year, if "closed."
6. Records retention schedules apply regardless of the physical format of entity records.
7. Wherever practicable records should be collected, transmitted and/or stored in open and machine readable formats.

8. Federal and state awarding agencies have the right to access any documents pertinent to federal/state awards.
9. Children's Forum, Inc. shall comply with the records retention requirements in Florida. The General Records Schedule GS1-SL for State and Local Government Agencies is located at <http://dos.myflorida.com/library-archives/records-management/general-records-schedules/>.

Policy: Disbursement under State & Federal Awards

Policy Number: 15.5

Date Approved:

Date Revised: 12/05/16

Disbursement policies are aligned in compliance with the following federal and state laws, regulations, statutes and rules:

- Chapter 60A – General Regulations
- Section 215.422, F.S. – Payments, warrants and invoices; processing time limits; dispute resolution; agency or judicial branch compliance
- Section 287.058, F.S. – Contract document
- Rule 60A-1.002, FAC – Purchase of commodities or contract services
- Chapter 69I – Division of Auditing and Accounting
- Compliance with Rule 69I-24, F.A.C. – Payment of Vouchers by State Warrant
- Compliance with Rule 69I-40, F.A.C. – Bureau of Auditing invoice requirements
- DFS Reference Guide for State Expenditures
 - CFO Memo No. 01 (2012-13), Contract Summary Form
 - CFO Memo No. 02 (2012-13), Contract and Grant Reviews and Related Payment Processing Requirements
 - CFO Memo No. 03 (2014-15), Compliance Requirements for Agreements
 - CFO Memo No. 06 (2011-12), Contract Monitoring and Documenting Contractor Performance
 - PUR 1000 and 1001
- OEL Program Guidance PG 250.01, Other Cost Accumulator (OCA) Working Definitions
- OEL annual grant agreement Exhibit I for specified prohibited costs
- 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
 - 60A-1.016 F.A.C., Contract and Purchase Order Requirements.
 - DFS Reference Guide for State Expenditures
 - DFS State Travel Manual
 - CFO Memo No. 06 (2016-17), *Guidance for Travel restrictions imposed by Ch. 2016-62, FL Law*
 - CFO Memo No. 02 (2014-15), *State of Florida Purchasing Card Program Convenience Fees/Surcharges*
 - OEL annual grant agreement Exhibit I for specified prohibited costs
 - 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
 - 2 CFR 200.302, *Financial management systems*
 - 2 CFR 200.302(7), *Financial management systems – allowability of costs*
 - 2 CFR 200.303, Internal controls
 - 2 CFR 200, Subpart E – Cost Principles
- OEL Program Guidance files
 - Program Guidance 440.10 – Office of Early Learning Match Reporting Guidance
 - Program Guidance 240.01 – Cash Management Procedures
 - Program Guidance 240.04 – School Readiness Funds Management
 - Program Guidance 240.05 – Guidance on Prior Approval Procedures
 - Program Guidance 240.06 – Reimbursement Request Requirements for ELCs
 - Program Guidance 250.01 – Other Cost Accumulators (OCAs) Guidance.

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

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

Policy: **Contract Provisions**

Policy Number: **15.6**

Date Approved: **01/01/04**

Date Revised: **11/2/16**

It is the policy of Children’s Forum, Inc. to include in writing all required provisions, disclosures and clauses under the Federal Uniform Rules, as applicable, in all contracts with vendors and sub-grants to grantees inclusive of the following:

1. **Equal Employment Opportunity:** All contracts shall contain a provision requiring compliance with E.O. 11246, “Equal Employment Opportunity,” as Revised by E.O. 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and as supplemented by regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”

2. **Copeland “Anti-Kickback” Act (18 U.S.C. 874 and 40 U.S.C. 276c):** All contracts and sub grants in excess of \$2,000 for construction or repair awarded by Children’s Forum, Inc. and its sub recipients shall contain a provision for compliance with the Copeland “Anti-Kickback” Act (18 U.S.C. 874), as supplemented by Department of Labor regulations 29 CFR part 3, “Contractors and Subcontractors on Public Building or Public Work Fiscald in Whole or in Part by Loans or Grants from the United States.” This Act provides that each contractor or sub recipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. It is the policy of Children’s Forum, Inc. to report all suspected or reported violations to the Federal awarding agency.

3. **Davis-Bacon Act, as Revised (40 U.S.C. 276a to a-7):** If included in the federal agency’s grant program legislation, all construction contracts of more than \$2,000 awarded by Children’s Forum, Inc. and its sub recipients shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, “Labor Standards Provisions Applicable to Contracts Governing Federally Fiscald and Assisted Construction”). Under this Act, contractors are required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. It is the policy of Children’s Forum, Inc. to place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. Children’s Forum, Inc. shall also obtain reports from contractors on a weekly basis in order to monitor compliance with the Davis-Bacon Act. Children’s Forum, Inc. shall report all suspected or reported violations to the Federal awarding agency.

4. **Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333):** [Where applicable] All contracts awarded by Children’s Forum, Inc. in excess of \$2,000 for construction contracts and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers

shall include a provision for compliance with Sections 102 and 107 of the Contract Works Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each contractor is required to compute wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than 1-1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

5. **Rights to Inventions Made Under a Contract or Agreement:** Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and Children's Forum, Inc. in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.
6. **Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as Revised:** Contracts and sub grants of amounts in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act, as Revised (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
7. **Byrd Anti-Lobbying Amendment (31 U.S.C. 1352):** For all contracts or sub-grants of \$100,000 or more, Children's Forum, Inc. shall obtain from the contractor or sub-grantee a certification that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Likewise, since each tier provides such certifications to the tier above it, Children's Forum, Inc. shall provide such certifications in all situations in which it acts as a sub-recipient of a sub-grant of \$100,000 or more.
8. **Debarment and Suspension (E.O.s 12549 and 12689):** For all contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (currently \$100,000), Children's Forum, Inc. shall obtain from the contractor a certification that neither the contractor nor any of its principal employees are listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs.
9. **Remedies:** All contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (currently \$100,000) shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms.

10. **Termination:** All contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (currently \$100,000) shall contain suitable provisions for termination by Children's Forum, Inc., including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe the conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated due to circumstances beyond the control of the contractor.

Policy: **Sub-Awards**

Policy Number: **15.7**

Date Approved: **01/01/04**

Date Revised: **12/5/16**

From time to time, Children’s Forum, Inc. may find it practical to make sub-awards of federal funds to other organizations. All sub-awards in excess of \$5,000 shall be subject to the same procurement policies described in the preceding section. In addition, all sub-recipients must agree to the sub recipient monitoring provisions described in the next section.

With respect to sub recipients with whom Children’s Forum, Inc. has not recently had a sub award relationship, the Organization shall determine an appropriate level of pre-award inquiry that shall be performed. The purpose of such inquiry, which may involve a site visit to a potential sub recipient, is to gain assurance that a potential sub recipient has adequate policies and procedures in place to provide reasonable assurance that it is capable complying with all applicable laws, regulations and award provisions. In addition, Children’s Forum, Inc. may obtain the following documents from all new sub recipients:

1. Articles of incorporation
2. By-laws or other governing documents
3. Determination letter from the IRS (recognizing the sub recipient as exempt from income taxes under IRC section 501(c)(3))
4. Last 3 years’ Forms 990 or 990-EZ, including all supporting schedules and attachments (also Form 990-T, if applicable)
5. Copies of the last 3 years’ audit reports and management letters received from sub recipient’s independent auditor (including all reports associated with audits performed in accordance with OMB Circular A-133, if applicable)
6. Copy of the most recent internally-prepared financial statement and current budget
7. Copies of reports of government agencies (Inspector General, state or local government auditors, etc.) resulting from audits, examinations or monitoring procedures performed in the last three years

Monitoring of Sub recipients

When Children’s Forum, Inc. utilizes Federal funds to make sub-awards to sub recipients, Children’s Forum, Inc. is subject to a requirement to monitor each sub recipient in order to provide reasonable assurance that sub recipients are complying, in all material respects, with laws, regulations, and award provisions applicable to the program per **CFOM No. 06 (2011-12), Contract Monitoring and Documenting Contract Performance.**

In fulfillment of its obligation to monitor sub recipients, the following policies apply to all sub-awards of federal funds made by Children’s Forum, Inc. to sub recipients:

1. Sub award agreements shall include all information necessary to identify the funds as federal funding. This information shall include:
 - a. The applicable Catalog of Federal Domestic Assistance (CFDA) title and number
 - b. Award name
 - c. Name of Federal agency
 - d. Amount of award
2. Sub award agreements shall identify all applicable audit requirements, including the requirement to obtain an audit in accordance with OMB Circular A-133, if the sub recipient meets the criteria for having to undergo such an audit.
3. Sub awards shall include a listing of all applicable Federal requirements that each sub recipient must follow.
4. Sub awards shall require that sub recipient employees responsible for program compliance obtain appropriate training in current grant administrative and program compliance requirements.
5. Sub awards shall require that sub recipients submit financial and program reports to Children's Forum, Inc. on a basis no less frequently than monthly.
6. Children's Forum, Inc. will follow up with all sub recipients to determine whether all required audits have been completed. Children's Forum, Inc. will cease all funding of sub recipients failing to meet the requirement to undergo an audit in accordance with OMB Circular A-133. For sub recipients that properly obtain an audit in accordance with OMB Circular A-133, Children's Forum, Inc. shall obtain and review the resulting audit reports for possible effects on Children's Forum, Inc.'s accounting records or audit.
7. Children's Forum, Inc. shall assign one of its employees the responsibility of monitoring of each sub recipient on an ongoing basis, during the period of performance by the sub recipient. This employee will establish and document, based on her/his understanding of the requirements that have been delegated to the sub recipient, a system for the ongoing monitoring of the sub recipient.
8. Ongoing monitoring of sub recipients by Children's Forum, Inc. will inherently vary from sub recipient to sub recipient, based on the nature of work assigned to each sub recipient. However, ongoing monitoring activities may involve any or all of the following:
 - a. Risk Assessment
 - b. Regular contacts with sub recipients and appropriate inquiries regarding the program.
 - c. Monitoring Procedures and Criteria
 - d. Reviewing programmatic and financial reports prepared and submitted by the sub recipient and following up on areas of concern.
 - e. Monitoring sub recipient budgets.

- d. Performing site visits to the sub recipient to review financial and programmatic records and assess compliance with applicable laws, regulations, and provisions of the sub award.
 - e. Offering sub recipients technical assistance where needed.
 - f. Maintaining a system to track and follow up on deficiencies noted at the sub recipient in order to assure that appropriate corrective action is taken.
 - g. Establishing and maintaining a tracking system to assure timely submission of all reports required of the sub recipient.
9. Documentation shall be maintained in support of all efforts associated with Children's Forum, Inc.'s monitoring of sub recipients.

Payment of Invoices

The Contract/Grant manager will authorize payment of invoices to sub recipient contracts after final approval of work products.

Policy: **Equipment Purchased With Direct Federal Funds**

Policy Number: **15.8**

Date Approved: **01/01/04**

Date Revised: **05/01/13**

Children's Forum, Inc. may occasionally purchase equipment for use on a program funded directly by a Federal Agency. In addition to those policies on Property and Equipment Management described earlier, equipment charged to direct Federal awards will be subject to certain additional policies as described below.

For purposes of Federal award accounting and administration, "equipment" shall include all items with a unit cost greater than \$5,000.

All purchases of "equipment" with direct federal funds shall be approved in advance in writing by the federal awarding agency. In addition, the following policies shall apply regarding equipment purchased and charged to federal awards:

1. Any equipment that is owned by the Federal government and given to Children's Forum, Inc. for use in a program shall be marked as such.
2. Adequate insurance coverage will be maintained with respect to equipment and furniture charged to Federal awards.
3. For equipment (or residual inventories of supplies) with a remaining per unit fair market value of \$5,000 or less at the conclusion of the award, Children's Forum, Inc. shall retain the equipment without any requirement for notifying the federal agency. If the remaining per unit fair market value is \$5,000 or more, Children's Forum, Inc. shall gain a written understanding with the federal agency regarding disposition of the equipment. This understanding may involve returning the equipment to the federal agency, keeping the equipment and compensating the federal agency, or selling the equipment and remitting the proceeds, less allowable selling costs, to the federal agency.
4. The Children's Forum, Inc. Contracts Manager shall determine whether a specific award with a Federal agency includes additional equipment requirements or thresholds and requirements that differ from those described above.
5. A physical inventory of all equipment purchased with direct federal funds shall be performed at least once every two years. The results of the physical inventory shall be reconciled to the accounting records of and federal reports filed by Children's Forum, Inc..

Policy: Standards for Financial Management Systems

Policy Number: 15.9

Date Approved: 01/01/04

Date Revised: 07/01/07

In accordance with OMB Circular A-110, it is the policy of Children's Forum, Inc. to maintain a financial management system that provides for the following:

1. Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements of Circular A-110 and/or the award.
2. Records that identify adequately the source and application of funds for federally-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.
3. Effective control over and accountability for all funds, property and other assets. Children's Forum, Inc. shall adequately safeguard all such assets and assure they are used solely for authorized purposes.
4. Comparison of outlays with budget amounts for each award.
5. Written procedures to minimize the time elapsing between the transfer of funds to Children's Forum, Inc. from the U.S. Treasury and the issuance or redemption of checks, warrants or payments by other means for program purposes by the recipient.
6. Written procedures for determining the reasonableness, allocability and allowability of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award.
7. Accounting records including cost accounting records that are supported by source documentation.

Policy: **Budget and Program Revisions**

Policy Number: **15.10**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

It is the policy of Children's Forum, Inc. to request prior approval from Federal awarding agencies for any of the following program or budget revisions:

1. Change in the scope or objective of the project or program, even if there is no associated budget revision requiring prior written approval.
2. Change in a key person (project manager, etc.) specified in the application or award document.
3. The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project manager or principal investigator.
4. The need for additional Federal funding.
5. The transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa, if approval is required by the Federal awarding agency.
6. The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with OMB Circular A-122.
7. The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense.
8. Unless described in the application and funded in the approved awards, the sub award, transfer or contracting out of any work under an award (However, this provision does not apply to purchases of supplies, materials, equipment or general support services).

Policy: Close out of Federal Awards

Policy Number: 15.11

Date Approved: 01/01/04

Date Revised: 07/01/07

Children's Forum, Inc. shall follow the close out procedures described in OMB Circular A-110 and in the grant agreements as specified by the granting agency.

Children's Forum, Inc. and all sub recipients shall liquidate all obligations incurred under the grant or contract within 90 days of the end of the grant or contract agreement.

Policy: Charging of Costs to Federal Awards

Policy Number: 15.12

Date Approved: 01/01/04

Date Revised: 12/14/16

It is the policy of Children's Forum, Inc. that only costs that are reasonable, allowable and allocable to a Federal award shall be charged to that award directly or indirectly per 2 CFR Part 200.302(7). All unallowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to Federal awards.

It is the policy of Children's Forum, Inc. that all costs must meet eligibility criteria in order to be treated as allowable direct or indirect costs under a Federal award.

The following phases shall be taken into consideration when determining allowable costs:

Phase I Analysis – General considerations for allowable costs

A. Consider requirements from federal regulations and program requirements

1. Is the proposed cost allowable based on instructions from uniform grant guidance?
2. Is the proposed cost consistent with the federal cost principles?

B. Consider requirements from the federal awarding agency

3. Is the proposed cost allowable based on agency-specific regulations?
4. Is the proposed cost allowable based on the related terms/conditions that govern the contractual agreement?
5. Is the proposed cost consistent with the grant project performance measures or benchmarks?

C. Consider requirements from applicable state guidance for contracts expending state funds

6. Is the proposed cost consistent with authorized grant program activities as described in the USDHHS-approved CCDF State plan?
7. Is the proposed cost allowed by state expenditures guidance from state statutes, rules, regulations or guidance from DFS/DMS?
8. Does the proposed cost comply with related grant program terms/conditions issued by the funder for grant awards, contracts, purchase orders and other expenditure agreements?

D. Consider the period of performance

9. Is the proposed cost for the allowed period of availability as defined for the funding program?

E. Consider other oversight instructions

10. If federal or state-level prior approval is required for the proposed cost, was this process followed?

Phase II Analysis – Specific factors affecting allowable costs

F. The proposed cost(s) is/are -

11. Necessary
12. Reasonable
13. Allocable

14. In conformance with federal law and grant terms and conditions

15. Consistent with state and local policies

16. Consistently treated

17. In accordance with generally accepted accounting principles (GAAP) and other standards

Each non-federal entity that receives federal/state grant program funds must use accounting rules and procedures established by authoritative bodies or conventions that have evolved through custom and common usage.

18. Not used as match on another federal award

19. Net of applicable credits (2 CFR §200.406)

20. Adequately documented

Policy: **Cost Sharing and Matching**

Policy Number: **15.13**

Date Approved: **01/01/04**

Date Revised: **07/01/07**

It is the policy of Children's Forum, Inc. to value contributed services and property that are to be used to meet a cost sharing or matching requirement at their fair market values at the time of contribution, unless award documents or Federal agency regulations identify specific values to be used.

Children's Forum, Inc. shall claim contributions as meeting a cost sharing or matching requirement of a Federal award only if all of the following criteria are met:

1. They are verifiable from Children's Forum, Inc. records
2. They are not included as contributions for any other federally-assisted project or program.
3. They are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
4. They are allowable under OMB Circular A-122.
5. They are not paid by the Federal government under another award, except where authorized by Federal statute to be used for cost sharing or matching.
6. They are provided for in the approved budget when required by the Federal awarding agency.
7. They conform to all provisions of OMB Circular A-110.
8. In the case of donated space, the space is subject to an independent appraisal to establish its value.

Contributed services used for cost sharing or matching purposes shall be valued at rates consistent with those rates paid for similar work in the Organization (match up experience and skill level), including an estimate of reasonable fringe benefits. In cases in which the required skills are not found in the Organization, rates used shall be consistent with those paid for similar work in the labor market in which Children's Forum, Inc. competes.

It is the policy of Children's Forum, Inc. to require volunteers to document and account for their contributed time in a manner similar to the time-keeping system followed by Children's Forum, Inc. employees.