



**FIRST 5
STANISLAUS**

POLICIES AND PROCEDURES MANUAL

Last Revised: April 24, 2018

Program Overview	4
OPERATIONAL POLICIES (SECTIONS 1-199)	5
Section 1 - Confidentiality	6
Section 2 – Commission Committees	7
Section 3 – Commission Meetings	9
Section 4 – Annual Review of Strategic Plan / Monitoring Compliance with the California Children & Families Commission Act of 1998	11
Section 5 – Amending These Policies and Procedures.....	12
Section 6 – Media Relations	13
Section 7 – Use of Commission Logo	14
ADMINISTRATIVE POLICIES (SECTIONS 200-399).....	15
Section 200 – Intended Use of Funds	16
Section 201 – Priority in the Use of Childcare Funds	17
Section 202 – Unsolicited Funding Proposals	18
Section 203 – Documentation by Contractors	19
Section 204 – Conflict of Interest Code	20
Section 205 – Purchasing and Procurement	22
Section 206 – Establishing the Salaries and Benefits of Commission Employees	23
Section 207 – Safety Incentive Program for Commission Employees.....	24
Section 208 – Commission Records Retention / Destruction.....	25
INTERNAL FINANCIAL POLICIES AND PROCEDURES (SECTIONS 400-499).....	27
Section 400 – Commission Budget	28
Section 401 – Encumbrances	29
Section 402 – Reserves	31
Section 403 – Administrative, Program, Evaluation Expenditure Categories and Limitations on Expenditures	32
Section 404 – Credit Cards.....	34
Section 405 – Travel Reimbursement	35
Section 406 – Annual Audit of Financial Condition	37

FINANCIAL POLICIES AND PROCEDURES FOR CONTRACTORS (SECTIONS 500-599)	38
Section 500 – Allowable Expenditures by Contractors	39
Section 501 – Funds for Fixed Assets and Capital Improvements	41
Section 502 – Submission of Contractor Invoices for Reimbursement	42
Section 503 – Invoice Preparation, Review, and Approval	44
Section 504 – Advance Payments to Contractors	46
Section 505 – Recovery of Payments to Contractors	47
Section 506 – Contract Budgets and Budget Revision by Contractors	48
Section 507 – Appropriation of Funds	50
Section 508 – Contractor Fiscal Reporting & Management	51
PROGRAM MONITORING AND EVALUATION POLICIES (SECTIONS 600-799)	52
Section 600 – Monitoring and Evaluation of Contractors	53
Section 601 – Site Visits	55
Section 602 – Corrective Action by Contractors	56
Section 603 – Audits of Contractors	58
Section 604 – Review of Contractor Materials	59

Program Overview

This Policy and Procedure Manual is a reference guide for Contractors and Commission staff as they implement the Commission's vision through the conducting of business operations. This manual contains Operational, Administrative, and Fiscal policies and procedures. The manual is a framework to guide the actions of the Commission and of Contractors and it is acknowledged that it is very difficult to capture every specific situation and circumstance that might arise in this manual. While the policies and procedures are written and specific, it is recognized that the Commission may also have practices that are not documented in the manual that bear weight upon its decisions. The intention of the Manual is to provide framework for sound decision making in regard to actions of the Commission and its contractors and to provide simple methods to manage the organization's business.

OPERATIONAL POLICIES (SECTIONS 1-199)

Section 1 - Confidentiality

Policy:

All Commission and Contractor staff responsible for client information must protect the privacy of clients, whether in conversations, in handwritten, typed, or printed documents, or electronic data. Contractors that provide direct client services shall develop and maintain procedures that prohibit access to client data by anyone not authorized to use such data. (See also Health and Safety Code Section 130140.1 (e) (1).)

Procedure:

- 1.1** Contractor and Contractor's staff shall adhere to state and federal standards of maintaining the security and privacy of client records. It is the Contractor's responsibility to periodically review any other standards that may apply to its programs. Contractor shall ensure that staff are properly trained and aware of confidentiality procedures and shall ensure that equipment and procedures are adequate to protect the security of records.
- 1.2** Confidentiality policies developed by Contractor shall address the following subject areas:
 - The process used to identify staff members authorized to view, enter, or change personally identifiable client data
 - The definition of what constitutes a legitimate interest to access confidential records
 - The process used to ensure all records are updated when changes are made
 - Confidentiality measures to be taken when confidential information is obtained or conveyed orally, in writing, by fax, phone or email
 - Security measures for filed materials
 - Security measures for electronic materials
- 1.3** Violations of a client's confidentiality information and records may be grounds for contract termination and may expose the violator to civil or criminal penalties.

Section 2 – Commission Committees

Policy:

Standing Committees shall exist to assist the Commission in formulating policies, making policy recommendations, and performing oversight functions delegated by the Commission. Ad hoc Committees shall be established to serve a time-limited issue or program specific function, such as assisting in developing responses to State Commission or Foundation initiatives.

Procedure:

- 2.1** Standing Committees shall be established by formal action of the Commission. The Commission shall appoint members, as the Commission deems necessary.
- 2.2** As it deems necessary, the Commission may also establish Ad Hoc Committees. Committee members who are not also members of the Commission shall act in an advisory capacity to the Committee and the Commission.
- 2.3** The standing Committees of the Commission are:
 - ❑ Executive
 - ❑ Administrative and Finance
 - ❑ Operations
- 2.4** Membership of the Executive Committee shall include the Chair, Vice-Chair, and one member of the Commission. Responsibilities of the Executive Committee shall include:
 - ❑ Direct liaison with the Chief Executive Officer.
 - ❑ Direct oversight of the Executive Director.
 - ❑ Working through and with the Commission staff, liaison with the Board of Supervisors regarding the Annual Report, Commission membership, etc.
 - ❑ Working through and with the Commission staff, preparing the agenda for the regularly scheduled meetings of the Commission.
 - ❑ Working through and with the Commission staff, arranging for scheduling and preparing the agenda for special meetings of the Commission.
 - ❑ Provide the leadership, direction and content for the Annual Commission Planning Day.
 - ❑ Recommending Commissioner assignments to standing and/or ad hoc committees.
 - ❑ Serving as the Nominating Committee to recommend candidates for Commission Officers.
- 2.5** Membership of the Administrative and Finance Committee shall be determined by the Commission and shall include not more than four Commissioners. Responsibilities of the Administrative and Finance Committee shall include:

- ❑ Review and recommend to the Commission all Commission Policies & Procedures.
- ❑ Review and recommend to the Executive Director all Policies and Procedures for the Commission office.
- ❑ Review and recommend for adoption the Commission budget.
- ❑ Review, comment, and recommend the Scope of Work and Budgets for all annual contracts.
- ❑ Participate in and with the Independent Annual Audit.
- ❑ Monitor and recommend short and long-term management and financial projections.
- ❑ Oversee and provide general direction of program evaluation efforts.

2.6 Membership of the Operations Committee shall be determined by the Commission and shall include not more than four Commissioners. Responsibilities of the Operations Committee shall include:

- ❑ Oversee the budgets, contracts, and operations of contractors.
- ❑ Liaison, partnership and oversight of and with local and State evaluation teams and efforts.
- ❑ Review, comment and make recommendations regarding the Annual Report to the California First Five Commission.
- ❑ Oversee the review and update of the Strategic Plan.
- ❑ Discuss and recommend Commission partnership, participation and sponsorship of community events, community education, distribution of educational materials, health fairs, public information, teacher trainings, etc.
- ❑ Oversight of the development and maintenance of the Commission logo, website and collateral materials.
- ❑ Liaison with Commission-funded programs, projects, and services.
- ❑ Share information and communicate with health and education groups, i.e., Asthma Coalition, Stanislaus Association for the Education of Young Children, Domestic Violence Council, etc.

Section 3 – Commission Meetings

Policy:

All meetings of the Commission, except closed sessions permitted by law, are open and public. All Commission meetings are to conform to the Ralph M. Brown Act, including requirements for meeting notice, preparation and distribution of agendas and other written materials, inspections of public records, closed sessions and emergency meetings, at a location designated by the commission, except for those instances defined in the Ralph M. Brown Act (Section 54954).

Procedure:

- 3.1** Regular Commission meetings are usually scheduled on the fourth Tuesday of each month with the exception of July, November, and December. Meetings are not usually scheduled in July and November and the December meeting is usually held the second Tuesday of the month.
- 3.2** Regular monthly meeting dates and times shall be established by the Commission prior to the start of each calendar year. Scheduled meeting dates may be cancelled and/or rescheduled at the discretion of a majority of the Commission.
- 3.3** Special meetings of the Commission are scheduled at the discretion of the Commission Chair, or Vice Chair, or at the request of at least 4 Commission members. Special meetings of the Commission may be scheduled from time to time to receive information or complete action items related to Commission business. A written notice of a special meeting must be delivered to each Commissioner and to each local newspaper of general circulation, radio, television, or local electronic media requesting notice in writing at least 24 hours in advance of the meeting time specified in the notice. The notice shall specify the time and place of the meeting and the business to be transacted or discussed. No other business shall be considered at the Special Meeting of the Commission. The special meeting notice shall be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public.
- 3.4** Emergency meetings may be called by the Chair or the Vice-Chair and only under those circumstances defined in the Ralph M. Brown Act necessitating immediate action of the Commission.
- 3.5** The Commission Chair, or in his/her absence the Vice Chair, presides over Commission meetings. In the absence of the Chair or Vice Chair, the majority of Commissioners present at the meeting may choose a meeting Chair.
- 3.6** A quorum of the Commission consists of at least 5 members of the Commission. Each act or decision of the Commission, at a meeting duly held at which a quorum is present, requires the affirmative action of at least 5 members of the Commission.
- 3.7** The development of meeting agendas is the responsibility of the Executive Committee. Agenda requests from Commissioners may be addressed in writing to the Executive Director or to the Executive Committee. Agenda item requests must be submitted no later than 7 working days before the scheduled Commission meeting, to allow time for drafting/finalizing agenda items.

- 3.8** Public comment is welcomed at each Commission meeting and will be accepted on posted agenda items, consistent with Ralph M. Brown Act requirements.

Section 4 – Annual Review of Strategic Plan / Monitoring Compliance with the California Children & Families Commission Act of 1998

Policy:

Annually, the Commission shall conduct a review of the progress made towards implementing its strategic plan and shall consider changes to the plan made necessary by changing conditions. This review shall include monitoring compliance with the California Children & Families Commission Act of 1998.

Procedure:

- 4.1** Proposition 10, which established the funding sources and requirements of the children and families program, was codified in the State of California's Health and Safety Code as Sections 130100 – 130155. Section 130140 requires that the Stanislaus County Children and Families Commission adopt a strategic plan that is consistent with and furthers the purposes of Proposition 10. The section also requires that a periodic and regular review of Commission efforts and activities be made to document the Commission's compliance with the "California Children and Families First Act of 1998". This program compliance review can best be accomplished as a part of the Commission's annual review of its strategic plan.
- 4.2** Annually, a review of the Stanislaus County Commission's strategic plan shall be scheduled by the Executive Committee on the agenda of a regular or special Commission meeting. At the appointed time and place, the Commission shall conduct a review of its strategic plan. Part of the review shall be an assessment of the Commission's continuing compliance with the "California Children and Families First Act of 1998".
- 4.3** Before adopting changes to the strategic plan, the Commission shall hold a public hearing to accept public comments. Following adoption of strategic plan revisions, the revised plan shall be sent to the California State First 5 Commission.

Section 5 – Amending These Policies and Procedures

Policy:

A standard process shall be used to amend these policies and procedures of the Stanislaus County Children and Families Commission.

Procedure:

- 5.1** The Executive Director and Commission staff shall develop drafts of new or revised policies and procedures.
- 5.2** The drafts of the new or revised policies and procedures shall be forwarded to the appropriate committee(s).
- 5.3** The appropriate committee(s) shall review the drafts submitted and take one or more of the following actions:
 - Approve and forward to the Commission for its consideration.
 - Approve with additions, deletions or corrections, and forward to the Commission for its consideration.
 - Forward to the appropriate Committee.
 - Recommend further review of the draft.

Section 6 – Media Relations

Policy:

Accurate information is crucial. It is the intent of the Commission to accurately respond to media inquiries and media reports about its work and the work of Commission partners. The purpose of this policy is to ensure the flow of information is clear and consistent and that a protocol is in place outlining a communications chain of command.

Procedure:

- 6.1** All media inquiries must be directed to the Executive Director or staff designee.
- 6.2** The Executive Director or staff designee may answer a reporter's questions or forward the media inquiry to appropriate Commissioners or community partners.
- 6.3** To assist the Commission in responding to media requests for information, staff may produce talking points (bullets) to help frame key messages, outline main points, and provide background information.
- 6.4** Partners/contractors solicited for comment about their program by the media shall inform the Commission Executive Director by phone or e-mail that a media inquiry has been made.
- 6.5** Acknowledgement of the Commission shall be included in any information distributed to the media for the purpose of publicizing a Prop. 10 funded program. Such acknowledgment shall be included on news releases, advisories, public service announcements, television and radio advertisements, and calendar/event listings.
- 6.6** Media activities such as news conferences, story pitching, and editorial board meetings shall include reference to the Commission's program support. Contractors/partners shall forward to the Commission copies of any press coverage for inclusion in the Commission's clipping file.

Section 7 – Use of Commission Logo

Policy:

Contractors and partnering organizations are required to use the Commission's name and logo on all printed materials, promotional information, products, etc., that are funded by the Commission. The purpose of this policy is to stipulate guidelines for the use of the Commission's name and official logo on documents and publications produced by Commission grantees and partnering organizations.

Procedure:

7.1 Commission contractors/partners must adhere to the following:

- ❑ Contractors and partnering organizations shall use the Commission logo on printed materials, promotional information, products, etc. and must receive prior approval from the Commission's Executive Director or designee prior to the final printing or production of the product.
- ❑ Organizations that use the Commission logo are required to submit samples of the final product to the Commission for their information and potential use.
- ❑ The following language, or something very similar, is to be included on all printed materials, promotional information, products, etc., funded by the Commission:
 - ✓ "This program is made possible by a grant from the Stanislaus County Children and Families Commission."
 - ✓ "This program is made available through a grant from the Stanislaus County Children and Families Commission."
 - ✓ "This program is made available through a partnership with the Stanislaus County Children and Families Commission."

ADMINISTRATIVE POLICIES (SECTIONS 200-399)

Section 200 – Intended Use of Funds

Policy:

It is the intent of the Stanislaus County Children & Families Commission to support local not-for-profit organizations, family-care homes, community-based organizations, faith-based organizations, schools, and government programs by making funds available for services and/or projects for children 0 through 5. The purpose of this policy is to make funds available to children 0 – 5 and their parents, targeting those in the greatest need.

Procedure:

200.1 All Commission Requests for Proposals, contracts, and all sub-contracts negotiated by its Contractors shall be developed under this policy.

200.2 The Executive Director and the Commission's Administrative and Finance Committee are responsible for implementing and executing this policy by developing requests for proposals (RFP's) and contracts consistent with this policy.

Section 201 – Priority in the Use of Childcare Funds

Policy:

In the area of childcare, licensed providers in licensed facilities shall receive priority in the allocation of childcare funds over unlicensed facilities and providers.

Procedure:

- 201.1** In order to increase the capacity of childcare and expand the quality of childcare, it is the intent of the Stanislaus County Children & Families Commission to expend the Commission's childcare funds to support licensed childcare providers, facilities, homes, and centers.
- 201.2** Exceptions to this policy may include, but are not limited to, funds for training, educational stipends, and other funds that will enhance quality and lead facilities and providers towards licensure.

Section 202 – Unsolicited Funding Proposals

Policy:

Unsolicited funding proposals are proposals from agencies or individuals that were not solicited or requested by the Stanislaus County Children and Families Commission. The proposals usually take the form of plans, budgets, or narratives that request funding from the Commission.

Unsolicited funding proposals must target children (0 through 5 years of age) and their families and must be consistent with the Commission's strategies / initiatives, as amended:

- Improved Family Functioning
- Improved Child Development
- Improved Health
- Improved Systems of Care

Procedure:

202.1 Individuals or organizations wishing to submit an unsolicited funding proposal should deliver the proposal to.

Executive Director
Children & Families Commission
930 15th Street
Modesto, CA 95354
Phone: (209) 558-6218

202.2 Committees may evaluate the proposals and may make a recommendation about possible funding.

202.3 Committees may forward their recommendation to the Commission for its consideration.

202.4 Individuals or organizations submitting an unsolicited funding proposal will be notified within 10 business days following any Commission action involving the proposal.

Section 203 – Documentation by Contractors

Policy:

Each Contractor, if applicable, will have a tracking/filing system and other procedures in place for documenting the client's assessment/contacts, including interventions, follow-up, and outreach/waiting lists.

Procedure:

203.1 The Contractor's staff shall document all services provided to participants under the agreement with the Commission.

203.2 Documentation includes:

- Date, time, purpose, and site of contact.
- The name and title of the person making the contact.
- Pertinent details, including the ongoing assessment, intervention, referrals, and outcomes.
- Client responses to interventions.
- Any other pertinent details.
- Commonly used abbreviations, acceptable terminology.
- The complete signature and title of the staff person entering the data on the client.

203.3 The client record, including all copies, should be kept in a secure location at the program site that is inaccessible to unauthorized persons.

203.4 Client records should be kept for a minimum of five (5) years from the date of final payment under the agreement.

203.5 Client records and program documentation shall be available to representatives of the Stanislaus Children and Families Commission.

Section 204 – Conflict of Interest Code

Policy:

The Political Reform Act, Government Code Section 81000 et seq., and California Health and Safety Code Section 130140 (d)(4)(A) require the Commission to adopt a conflict of interest code for its members. When considering matters, Commission members who have a financial interest or a conflict, as defined by law, or appear to have a financial interest or conflict, are to abstain from discussions and votes on the matter.

Procedure:

204.1 The Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations, Section 18730, containing the terms of the Standard Conflict of Interest Code. The terms of this Code, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated into the Commission’s policies by this reference.

204.2 Under the provisions of the Standard Code, designated employees shall file Statements of Economic Interest on a form commonly known as “Form 700”. Listed below are the disclosure categories:

Category 1 All sources of income, interest in real property and investments and business entities located in or doing business in Stanislaus County.

Category 2 Investments and business positions in business entities and sources of income which provide services, supplies, materials, machinery or equipment of the type utilized by the Stanislaus County Children and Families Commission.

Category 3 Consultants shall disclose, as set forth in Category 1, subject to the following limitation. The Executive Director may determine in writing that a particular consultant, although a “designated position”, is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such a written determination shall include a description of the Consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. Such determination shall be a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

204.3 In recognition that the Commission is administered by a nine-member policy making body with an Executive Director, the following employees and others constitute the designated and disclosure categories described in the State Code.

<u>Designated Positions</u>	<u>Category</u>
Commissioners	1
Executive Director	1
Attorney	2
Consultant(s)	3

204.4 At the time a matter comes before the Commission in which a Commission member has a financial interest or a conflict, or when it appears a Commission member has a financial

interest or conflict, the Commission member is to so inform the Chair of the Commission. Unless otherwise advised by Counsel, the member should abstain from discussions and votes on the matter.

204.5 Commissioners will file their statement of economic interest with the Commission's Executive Director. The Executive Director will keep the statements on file in Commission offices.

Section 205 – Purchasing and Procurement

Policy:

Recognizing that not all of its provisions are applicable to Commission operations, the County of Stanislaus' purchasing and procurement policies shall be the purchasing and procurement policies for the Stanislaus County Children and Families Commission.

Procedure:

205.1 The applicable provisions of the document entitled "Stanislaus County Purchasing Division Policies and Procedures," dated 2/27/09, effective 3/2/09), are hereby incorporated into these policies by this reference.

205.2 At the time the document described above is amended by the Stanislaus County Board of Supervisors, changes applicable to the Commission shall be incorporated into these policies by this reference.

Section 206 – Establishing the Salaries and Benefits of Commission Employees

Policy:

Utilizing the County of Stanislaus' compensation and benefit programs, the Commission shall establish the salaries and benefits of Commission employees.

Procedure:

- 206.1** Annually, the Stanislaus County Children and Families Commission shall submit a budget to the Stanislaus County Chief Executive's Office containing the salaries and benefits of Commission employees.
- 206.2** The County of Stanislaus shall include the positions established by the Commission and the budget approved by the Commission in their Proposed and Final Budget documents.
- 206.3** Positions and salaries for Commission employees shall be included in the County of Stanislaus' Salary and Position Allocation Report. Benefits for Commission employees shall be selected from among the benefit packages offered to County of Stanislaus employees in similar classifications.

Section 207 – Safety Incentive Program for Commission Employees

Policy:

Employees shall work safely in environments where observed hazards are reported and corrected. Utilizing the County of Stanislaus' Safety Incentive Program and in compliance with Government Code Section 25843, the Commission provides a safety incentive program to encourage employees to establish and maintain safe work environments and habits.

Procedure:

207.1 The Safety Incentive Program is an approach to encourage and reward employees performing their jobs in a safe (and therefore productive) manner. The program provides for a system of rewards to acknowledge and promote the safe efforts of employees, with a goal of improving the attitude and morale of the workforce. This policy is also designed to set the stage for long-term reductions in worker compensation costs in the County.

207.2 As a safety incentive, the Commission will purchase lunch (in accordance with the Purchasing Card Policy) in the following quarter for each employee who is employed by the Commission for more than half of the previous quarter and who earned 2 or more safety points in the previous quarter. Safety points can be earned in the following manner:

- The employee sustains no injuries in the quarter – 1 Point.
- The employee sustains an injury, files a report, and attends a County sponsored safety class approved by the Executive Director – 1 Point.
- The employee attends a non-mandatory County sponsored safety class approved by the Executive Director – 1 Point.
- The employee files an incident/accident/near miss report along with a suggestion to avoid future similar incidents – 1 Point.
- The employee makes one or more safety improvement suggestions that are reasonable and workable – 1 Point.
- The employee performs a written safety inspection of the office. (Only one report can be submitted per quarter by Commission employees.) – 1 Point.
- The employee participates in safety meetings in the following ways – a maximum of 2 Points:
 - i. Making a presentation at a safety meeting – 1 Point.
 - ii. Organizing and leading the safety meeting and producing minutes – 1 Point.
 - iii. Attending all departmental safety meetings and drills in the quarter – 1 Point.

207.3 To assist in the maintenance of a safe work place, the department will annually, at a minimum, hold four (4) safety meetings one (1) each quarter, participate in two building evacuations, and perform a department safety inspection.

207.4 The overall objective of the Commission's safety program is to ensure that all employees recognize that safety is everyone's job.

Section 208 – Commission Records Retention / Destruction

Policy:

This policy sets forth the guidelines and procedures pertaining to the retention and destruction of Commission records. Commission records shall be retained in full compliance of applicable law and the records retention schedules in this policy. No public record shall be disposed of except in compliance with this policy and applicable law.

Procedure:

- 208.1** “Commission Records” includes any writing containing information relating to the conduct of the Commission’s business prepared, owned, used, or retained by the Stanislaus County Children and Families Commission or its staff, regardless of physical form or characteristics.
- 208.2** All finance-related documents and data shall be retained and maintained by the Accounting Division following generally accepted accounting principles and standards set forth by independent auditors.
- 208.3** Documents to be retained, including agreements and contracts, records for grantees, funded awarded contracts and non-funded grant and contract applicants, solicitation materials, outreach effort documentation, proposals from all bidders, and monitoring documentation, shall be retained for a minimum of three (3) years after either 1) the termination date of the grant/contract OR 2) the date the final audit of the grant/contract is completed. Stanislaus County Children and Families Commission staff shall endeavor to maintain complete files in an easily accessible location to facilitate review of all documents relating to particular contract or grant.
- 208.4** Retention, purging, and destruction of records shall be permitted only in compliance with the requirements of the Public Records Act and other applicable codes or regulations.
- 208.5** The Executive Director or designee shall monitor the procedures for this policy.
- 208.6** Each record category has been evaluated based upon its administrative, operational, fiscal, legal, and historical value to determine appropriate retention period. This evaluation has resulted in the following records retention schedule. For each category the schedule identifies the following:
- Record Description: identifies the type of record to be retained.
 - Retention Period: establishes the period of time which the document must be retained.
- 208.7** The retention period is indicated by alphanumeric codes. The retention codes are used to indicate the retention period and the length of time (expressed in years) the record must be maintained. The retention code has two components:

- The alpha code represents when the retention period begins:
 - Au** After Audit
 - T** Termination of employment or termination of contractor grant
 - P** Permanent

- The numeric code represents the length of time (in years) that records must be kept after the retention period begins. For example, a retention code of Au+3 means that a record's retention period begins after completion of the audit and must be kept for three (3) years thereafter.

208.8 Retention Schedule:

<u>Retention Period</u>	<u>Record Description</u>
Au +3, T +3	Contracts/agreements for funded or awarded contracts and grants, non-funded grant and contract proposals, bids, applications, review tools, solicitation materials, outreach effort documentation, monitoring documentation, audit reports, administrative files.
P	All general financial statements, reports, ledgers, check registers, compliance materials, data, and other accounting records
Au +5	Deposit permits, accounts payable expenditure vouchers and invoices, budget work papers, journal vouchers
T +5	Employee files, payroll records
P	Commission reports: comprehensive annual financial reports, audit reports
P	Commission meeting agendas and minutes, resolutions
2 years	Commission issued correspondence

INTERNAL FINANCIAL POLICIES AND PROCEDURES
(SECTIONS 400-499)

Section 400 – Commission Budget

Policy:

Annually, the Commission shall adopt a budget prior to the start of a fiscal year. During the fiscal year, the Commission may amend the adopted budget.

Procedure:

- 400.1** Prior to the start of a fiscal year, the Commission shall adopt an annual budget containing sufficient detail to identify contracts, programs, and staff to be funded during the fiscal year.
- 400.2** At the time the budget is adopted, the Commission shall also adopt a long-range financial plan containing projections, assumptions, revenues, expenditures, and changes to fund balance for at least a four (4) year period.
- 400.3** During a fiscal year, the Commission may take an action to amend an annual budget if, in the discretion of the Commission, circumstances require that an amendment be made.
- 400.4** If requested by the Auditor-Controller or Executive Officer of Stanislaus County, the annual budget and any amendments shall be submitted to the County in the manner and in the timeframes applied to County departments.

Section 401 – Encumbrances

Policy:

To aid in the management and control of the Commission's budget, encumbrances shall be established for goods and services expected to be purchased in a fiscal year. The amount encumbered shall be periodically reviewed to reflect changing conditions.

Procedure:

401.1 Encumbrances are defined as commitments related to unperformed contracts or unfulfilled commitments for goods and services. Encumbrances represent the estimated amount of expenditures in the current fiscal year if unperformed contracts or unfulfilled commitments are fulfilled. Examples of encumbrances include: contracts for services, supplies, printing, meeting expenses, translation costs, etc.

401.2 Encumbrances for contracts shall be established following the execution of a Commission approved contract.

- ❑ The Executive Director delivers a fully executed contract to the Commission's Accountant.
- ❑ The Accountant verifies that sufficient funds have been allocated in the Commission's approved budget.
- ❑ To establish a purchase order, the Accountant delivers a contract cover sheet and a copy of the contract to the Purchasing Department.
- ❑ Upon establishment of the purchase order by Purchasing, the Auditor's Office shall be notified of the approval by Purchasing and the Auditor's Office shall establish the encumbrance for the face value of the contract.
- ❑ If amended during the fiscal year, a copy of the revised contract and a revised contract cover sheet are to be sent by the Accountant to the Purchasing Department to amend the purchase order.
- ❑ Once the purchase order is revised, the Auditor's Office shall be notified of the approval by Purchasing and the Auditor's Office shall establish the encumbrance for the amended face value of the contract.

401.3 Establishing encumbrances for blanket purchase orders (for operating supplies, for example) shall be accomplished in the following manner:

- ❑ The Accountant verifies that sufficient funds have been allocated in the Commission's approved budget.
- ❑ The Commission's Accountant completes a blanket purchase order form for the acquisition of materials (like operating supplies) from known vendors. Once completed, the form is sent to the Purchasing Department.
- ❑ Upon establishment of the blanket purchase order by Purchasing, the Auditor's Office shall be notified of the approval by Purchasing and the Auditor's Office shall establish the encumbrance for the face value of the purchase order.
- ❑ If amended during the fiscal year to change amounts or vendors, a copy of the revised purchase order form is to be sent by the Accountant to the Purchasing Department to amend the blanket purchase order.

- Once the purchase order is revised, the Auditor's Office shall be notified of the approval by Purchasing and the Auditor's Office shall establish the encumbrance for the amended face value of the blanket purchase order.

401.4 At least quarterly, an Encumbrance Status Summary and an Expenditure Detail Report shall be reconciled by the Accountant to determine the continuing need for the encumbrance. Unneeded encumbrances shall be liquidated so as to provide a true and fair reflection of the Commission's financial position.

Section 402 – Reserves

Policy:

As an irreplaceable resource of the Commission, a minimum fund balance reserve is to be maintained for the fiscal health of the Proposition 10 program. While reserves may be used only with the specific approval of the Commission, it is the policy of the Commission not to utilize reserves in amounts that will cause the fund balance to fall below the Commission's established minimum level.

Procedure:

- 402.1** Except when approved by an affirmative action of the Commission, the budgeted fund balance for Fund 1755 (the Children and Families Commission Fund) shall be not less than half of the Commission's budgeted revenues for the current fiscal year.
- 402.2** Annually, staff shall prepare at least a four-year estimate of resources and obligations of the Commission and shall develop scenarios to project the fund balance for Fund 1755. The estimate and scenarios are to be provided to the Commission as a part of its budget deliberations.
- 402.3** At any time and at its discretion, the Commission may schedule on its agenda an action to amend its fund balance minimum or establish any fund balance policies or issue any financial instructions that, in its determination, serves the best interests of the Commission and the programs it funds.

Section 403 – Administrative, Program, Evaluation Expenditure Categories and Limitations on Expenditures

Policy:

Expenditures made by the Commission shall be assigned to one of three categories: administrative, program, or evaluation. Actual expenditures in each category shall be reported to the Commission at least quarterly. In any fiscal year, actual Commission administrative expenditures shall not exceed 10 percent of the total amount budgeted in Fund 1755 (Children and Families Commission).

Procedure:

403.1 Administrative costs are defined as:

Costs incurred in support of the general management and administration of the Stanislaus County Commission, for a common or joint purpose that benefits more than one cost objective (other than evaluation activities), and/or those costs not readily assignable to a specifically benefited cost objective.

403.2 Program costs are defined as:

Costs incurred by the Commission readily assignable to a program, grantee, Contractor, or service provider (other than evaluation activities) and/or in the execution of direct service provision.

403.3 Evaluation costs are defined as:

Costs incurred by the Commission in the evaluation of funded programs based upon an accountability framework and data collection and evaluation for required reporting to state and local stakeholders.

403.4 The following chart illustrates one method of allocating administrative, program, and evaluation costs. By utilizing an appropriate allocation basis (square footage, timecards, etc.), costs listed in any one of these categories may be apportioned to any other category (payroll/benefits, rent, or utilities, for example).

COST CATEGORY EXAMPLES

Administrative Costs	Program Costs	Evaluation Costs
General Accounting / Financial Reporting	Direct Services	Evaluation*
Local annual reporting activities	Program Outreach and Education	Evaluation Technical Assistance
Financial Planning	Program Planning	Evaluation Database
Commission/Association Meetings/Travel	Program Grants and Contracts	
Payroll/Benefits	Program/Provider Technical Assistance and Support (Formerly Quality Assurance)	
Human Resources Services	Program Database Management	
Legal Services / Consulting		
Contract Compliance		
Audit		
Strategic Planning		
Rent		
Utilities		
Insurance		
Indirect Costs		
Maintenance / Janitorial		
Procurement		

**Includes conduct of focus groups and case studies, state evaluation report production, and presentation.*

- 403.5** In accordance with Section 130151(b)(7) of the California Health and Safety Code, at least quarterly, expenditures allocated to administrative, program, and evaluation categories shall be reported to the Commission.

- 403.6** At least annually, documentation of the results of the evaluation expenditures, in the form of a report of program outcomes, shall be delivered to the Commission. Measurements to evaluate the outcomes of funded programs shall include the use of applicable, reliable indicators.

- 403.7** In any fiscal year, actual Commission administrative expenditures, unless changed by vote of the Commission, shall not exceed ten percent (10%) of the total amount budgeted in Fund 1755 (Children and Families Commission). At least quarterly, actual administrative expenditures shall be reported to the Commission and compared to the 10% limit.

Section 404 – Credit Cards

Policy:

The Stanislaus County Children and Families Commission has adopted the Stanislaus County Purchasing Card Policy. The Purchasing Card Policy allows for internal control of purchasing cards and accountability of items purchased.

Procedure:

- 404.1** These procedures apply to all Commission members and all Commission staff members. The Executive Director is responsible for implementing and administering this policy.
- 404.2** Purchasing cards shall remain under the control of the Executive Director or his/her designee. Cards will be issued to employees and Commissioners only for the period of time public business purchases can reasonably be expected to be made.
- 404.3** When issued, purchasing cardholders shall sign the card(s) out in a log. At the time of sign-out, the holder must state the date and purpose/use for the purchasing card.
- 404.4** Upon completion of business where the card is required, purchasing cards will be returned to the Executive Director, or his/her designee, and signed back in to the log. When the card is returned, all detailed receipts showing the item charged and the reason for the purchase will be turned in and the employee receiving the card will check the receipts for compliance with the purchasing card policy. In the event a purchasing card was used for an unallowable purpose, the cardholder will reimburse the Commission within one working day.
- 404.5** Monthly, the Executive Director will cause a reconciliation of credit card charges and credit card receipts to be completed to assure accuracy and to assure compliance with County policy. The Executive Director will sign the monthly reconciliation.

Section 405 – Travel Reimbursement

Policy:

Members and employees of the Stanislaus County Children and Families Commission may be allowed expenses incurred for meals, lodging, mileage, public transportation, and other expenses deemed necessary by the Executive Director while performing official Commission business (attending called meetings or authorized trips, for example). All expenses will be reimbursed in accordance with the Stanislaus County Travel Policy or may be approved by the Executive Director or the Commission.

Procedure:

405.1 Persons serving on the Stanislaus County Children and Families Commission and employees of the Commission may receive reimbursement for the following:

Mileage: Mileage shall be reimbursed using the Stanislaus County Mileage Chart, odometer readings, or Internet map services mileage calculations such as MapQuest or Google Maps. The mileage reimbursement rate shall be the rate established by the County Auditor. Substantiation for mileage reimbursement must include date, business purpose, and destination.

Travel: Travel to meetings, conferences, training, seminars and other Commission related business shall be coordinated with the Commission's Confidential Assistant. A travel authorization form must be completed detailing anticipated expenses. The form is to be signed by the Chair of the Commission or the Executive Director. The Executive Director shall sign employees' travel authorization forms.

Meals: The cost of meals will be reimbursed, subject to the limitations of the Stanislaus County Travel Policy.

Hotels Lodging accommodations should be moderate considering location, availability, meeting locations, etc. Single rates will be paid except when more than two Commissioners or employees occupy a hotel room.

405.2 To comply with Federal requirements related to travel reimbursements, Commissioners shall complete and submit IRS Form W-9 (Request for Taxpayer Identification Number and Certification) to the Commission Accountant.

405.3 To request a travel reimbursement, Commissioners shall complete and submit a County of Stanislaus Claim Form (known as the "blue" claim) and shall attach detailed receipts for each expense as required by the County of Stanislaus Travel policy documenting a clear business purpose. Supporting documentation should include, but is not limited to, the following: purpose, attendees, meal type (breakfast, lunch or dinner), agenda, etc.

405.4 Employees requesting a travel reimbursement shall complete the travel portion of their weekly timecard and shall attach the receipts for each expense as required by the County of Stanislaus Travel policy.

405.5 When requested, staff shall assist Commissioners with completing Travel Authorization forms and submitting requests for reimbursement.

Section 406 – Annual Audit of Financial Condition

Policy:

Annually, the Commission shall have a financial audit of its accounts and transactions conducted. The results of the audit shall be communicated to the public and to the State of California First 5 Commission.

Procedure:

- 406.1** Following the close of the County's fiscal year (July – June), the Commission shall have an independent audit conducted to assess the appropriateness and completeness of its revenue and expenditure transactions for the fiscal year just ended. As permitted by law, the audit can be conducted by the County Auditor's Office or by an accounting firm with knowledge of governmental fund accounting.
- 406.2** Any annual audit conducted shall use audit guidelines issued by the State Controller's Office. (The most recent guidelines are entitled, "Standards and Procedures for Audits of California Counties Participating in the California Children and Families Program".)
- 406.3** By law, the audit report is to be completed by October 15th of each year. The Commission shall hold a public hearing within 60 days of receipt of the audit report,
- 406.4** By November 1st of each year, the Commission is to submit the audit report to the State of California First 5 Commission.
- 406.5** Within two months of receipt of the audit, the Commission shall hold a public hearing on any response to the audit findings. Within two weeks of this public hearing, the Commission shall submit a response to the audit findings to the California State Controller.

FINANCIAL POLICIES AND PROCEDURES FOR
CONTRACTORS
(SECTIONS 500-599)

Section 500 – Allowable Expenditures by Contractors

Policy:

Expenditures made by Contractors shall comply with Federal, State, and local laws and policies; adhere to the agreed upon contractual terms; and demonstrate good stewardship of public resources.

Procedure:

- 500.1** Expenditures shall be made for only those services, supplies, and materials that directly benefit the health and well-being of children 0 through 5 years of age. It is acknowledged that some services provided to other family members in families with children 0 through 5 will have a benefit to the child (mental health services, health enrollment assistance services, English language lessons, literacy, etc.)
- 500.2** Expenditures made by Contractors shall comply with the scope of work and budget attached to the agreement between the Commission and the contracting agency. Budget categories may include, but are not limited to: salaries and benefits, services and supplies, and equipment/fixed assets.
- 500.3** Contractor requests for reimbursement shall be accompanied by appropriate supporting documentation. Commission staff may request additional supporting documentation to determine that an invoiced expenditure is consistent with these policies.
- 500.4** Equipment or materials purchased for or financed from Commission funds having a useful life of three (3) years or greater or a value in excess of Five Hundred Dollars (\$500) shall be defined as an inventory item. Prior written approval of the Executive Director, or his/her designee, is required for all purchases of inventory items, including, but not limited to, desktops or laptops (this does not include computer peripherals like printers or monitors).
- 500.5** All items purchased or financed with Commission funds not fully consumed during the execution of an agreement shall be the property of the Commission at the termination of an agreement unless the Commission, at its sole discretion, makes an alternative disposition.
- 500.6** The Commission and its contractors must be ever vigilant regarding their obligations and responsibilities to be good stewards of the public funds entrusted to them. Providing food and non-alcoholic beverage items at meetings and events is an especially sensitive subject and such items should be provided only in very limited and occasional circumstances. Alcoholic beverages cannot be purchased with public funds under any circumstances. Food or beverage items may be invoiced as an allowable expenditure when:
- There is prior approval from the Commission
 - The activity is listed in the budget/budget narrative
 - Special approval has been given from the Commission if activity is not listed in the budget/budget narrative
 - An agenda or event flier, attendance sheet or list of meeting attendees accompanies the invoice for reimbursement. The meeting must target community members, the public, and/or employees of other agencies (education

or training session, for example). The Commission reserves the right to request additional documentation as needed

- ❑ The items purchased contain predominately healthy choices: fruits, vegetables, water, juices, unsweetened drinks, etc.
- ❑ The items are utilized as an inducement to increase meeting attendance
- ❑ The items are related to an extended training session (a lunch meal as a part of an all-day training session, for example)
- ❑ The items are integral to the service being provided (nutrition education or obesity prevention, for example)
- ❑ Practicality, convenience, and efficiency dictate the need for such items (meetings of extended length or meetings held at sites where access to such items is not readily available, for example)

Food and beverage purchases for regular and recurring program activities may be purchased only if listed in the budget and/or budget narrative or contract scope of work. All other food and beverage purchases must be submitted on *Program Food and Beverage Authorization Form* and approved by Commission staff prior to the purchase.

Should the Contractor submit food claims that are determined by Commission staff to be excessive or not demonstrating good stewardship of public resources, a written notification may be delivered to the Contractor specifying which food purchases shall not be reimbursed to the contracting agency by the Commission.

500.7 As a general rule, food and non-alcoholic beverage items should not be supplied for the exclusive use of Contractor's staff. The Commission shall accept such items on Contractor invoices only when it can be demonstrated the items are associated with extended training or with a meeting over a meal period that could not reasonably be scheduled for another time. Attendance sheets and agendas shall be included as supporting documentation of the need for such expenditures.

500.8 Out of county travel by Contractors must be submitted on an Out of County Travel Request Form and approved by Commission staff prior to the travel. Once complete information is received from the Contractor, Commission staff shall approve or deny the request in writing to the Contractor within seven (7) business days. Out of County travel which does not have prior approval may be rejected for reimbursement by the Commission. Contractor travel costs shall comply either with the contracting agency's travel policies – which must be deemed reasonable by the Commission - or with Stanislaus County's policy. Contractors without an adopted travel policy shall comply with Stanislaus County's Travel Policy. Nothing herein shall exempt the Contractor from providing sufficient supporting documentation to support travel expenditures. Should the Contractor's travel policy permit travel reimbursements that are determined by Commission staff to be excessive or not demonstrating good stewardship of public resources, a written notification may be delivered to the Contractor specifying which costs or types of travel costs shall not be reimbursed to the contracting agency from Commission funds.

500.9 To incentivize program participants or volunteers, the Commission prefers that Contractors provide materials or supplies that are targeted to children 0 - 5 (books, educational materials, infant/toddler care supplies, learning games, etc.). The use of stipends or gift cards may be used as an incentive for program participants or volunteers only if specified in the Contractor's approved scope of work and budget.

Section 501 – Funds for Fixed Assets and Capital Improvements

Policy:

State Commission funds cannot be used for the acquisition or purchase of fixed or capital assets. County Commission funds may be utilized, in very limited circumstances, to fund construction or reconstruction projects that provide services or benefits to children ages 0 through 5. All such capital improvement requests received by the Stanislaus County Children and Families Commission shall be reviewed based on the criteria set forth below.

Procedure:

- 501.1** Capital improvement projects are defined as new construction or reconstruction projects.
- 501.2** All capital improvement project proposals shall be considered by one or more Commission Committees prior to being referred to the full commission for consideration.
- 501.3** Capital improvement proposals shall be evaluated according to criteria that includes, but is not limited to, the following:
- a. The useful life of the improvement
 - b. The use of the improvement
 - c. The Commission's ability to secure its investment
 - d. The amount requested
 - e. The length of time the improvement will be specifically dedicated for Proposition 10 purposes
 - f. The ability of the improvement to be used by non-targeted groups
 - g. The amount of funds leveraged with Proposition 10 funds
 - h. The services or programs for children 0-5 years of age enhanced by the improvement
 - i. The length of time the applicant has been in business
 - j. The administrative and fiscal capacity and capability of the applicant
 - k. The reasonableness and appropriateness of the project budget
 - l. The location and accessibility of the proposed improvement
- 501.4** Contracts providing funding for any capital improvement project must be approved by the Commission's Counsel.

Section 502 – Submission of Contractor Invoices for Reimbursement

Policy:

Invoices for reimbursement must be submitted on a timely basis throughout the year and prior to September 30th of each year in a Commission approved format.

Procedure:

- 502.1** Contractors shall comply with all invoice requirements as referenced in their Commission Contract as well Commission Policies, Procedures and practices.
- 502.2** Contractors scheduled to submit invoices for reimbursement to the Commission on a monthly basis shall submit the invoices within 30 days of the end of the month being billed.
- 502.3** Contractors scheduled to submit invoices for reimbursement to the Commission on a quarterly basis shall submit the invoices within 30 days of the end of the quarter being billed.
- 502.4** Contractors shall submit all year-end invoices for any costs incurred during the period July 1st through June 30th as soon as possible following the end of the fiscal year. In the event the Contractor is unable to submit an invoice for reimbursement prior to July 15th, the Contractor shall submit an accurate estimate of the year-end expenses to be invoiced for reimbursement to the Commission, followed by an invoice when completed and available.
- 502.5** All year-end invoices for reimbursement must be received no later than September 30th. Invoices for the prior fiscal year that are received after September 30th may be rejected and not be paid. An affirming vote of the Commission is needed to pay any year-end invoices for reimbursement received after September 30th of the prior fiscal year.
- 502.6** Supporting documentation of all line item expenses must be included with the invoice submitted for reimbursement. The supporting documentation may include, but is not limited to, time studies, copies of payroll registers, General Ledger, checks, mileage logs and receipts. All expenses must have appropriate documentation in order to be reimbursed.
- 502.7** Invoices for reimbursement with incomplete supporting documentation may be returned to Contractor and not reviewed until sufficient supporting documentation is received.
- 502.8** Unallowable expenses include items such as:
- Alcoholic Beverages
 - Tobacco products
 - Firearms
 - Purchase of motor vehicles
 - Purchase of property
 - Late Fees/Finance Charges (i.e. credit card late fees)
 - Fees for missed conferences or trainings
 - Costs associated with fundraisers
 - Food/refreshments for staff meetings
 - Items requiring pre-approval by the Commission that have not been pre-approved

- Expenditures for Contractor staff including, but not limited to, stipends, bonuses, gift cards, food, or breakroom materials.

This list is meant as a guideline for types of expenses that cannot be budgeted for or expended using Commission funds, unless specific program requirements are indicated and prior approval has been obtained. Without such prior approval, these types of expenses may be disallowed. This list is not all-inclusive.

502.9 Prior to the start of the contract period, each Contractor must submit the Cost Allocation Plan supporting documentation to the Commission for each site included in the scope of work in the contract.

502.10 Changes in contact information for the Contractor must be submitted to Commission staff within seven (7) business days.

502.11 The Commission reserves the right to withhold payment of an invoice for reimbursement for non-compliance with the requirements of the Agreement.

Section 503 – Invoice Preparation, Review, and Approval

Policy:

Invoices for reimbursement are to contain sufficient supporting documentation to verify the purpose of the expenditure, that the expenditures were made as a part of an approved scope of work and budget, and that the expenditures are consistent with Commission guidelines and public policy. Invoices will be reimbursed in a timely and appropriate manner.

Procedure:

503.1 Invoices for reimbursement shall contain the following information:

- Grantee name
- Program name
- Contract name
- Invoice period
- Approved budget by categories, current expenditures, previous expenditures, total expenditures and unexpended balance
- Appropriate documentation for each cost being claimed
- When appropriate, a detailed general ledger that reconciles to the invoice
- Year-to-date totals
- Variances
- Explanations for unusual variances
- Amounts applied to variances
- Name and signature of person preparing the invoice and attesting to its accuracy
- Invoice Checklist

503.2 Commission staff shall mark invoices received with the date it was received and review the invoice to determine:

- Sufficient funds have been allocated in the Commission's approved budget
- Appropriate documentation exists to support the costs being claimed
- The expenses were incurred within the contract period
- The invoice has been reconciled to the supporting documentation
- The expenditures are within the scope of work, budget and budget plan, or are otherwise determined to be appropriate
- Invoices (including year-end invoices) are being submitted timely
- Expenses are reported by budget category and are correctly categorized
- Advanced funds have been reconciled within 45 days of the end of the fiscal year to ensure funds are either expended or obligated within the required timeframe or (if funds are not expended or obligated) reimbursed to the Commission.
- Whether previous expenditures reported have been compared to the last invoice submitted

Commission staff making these determinations shall sign, initial, or otherwise make a written notation(s) on the appropriate form.

503.3 In the event a submitted Contractor invoice is not complete and the Commission has requested additional information or documentation, including clarifying information or the provision of missing or additional documentation from the Contractor, the Commission may, upon its discretion, close a Contractor invoice and authorize payment five (5) business days after requesting such clarification or documentation from the Contractor. If

additional information is provided after the five (5) day time period, the Commission will evaluate for possible reimbursement. If it is determined payment adjustment is needed, it will occur with the next available monthly invoice.

- 503.4** Once the Commission staff has approved an invoice for reimbursement, payment to Contractor shall be made within thirty (30) days.
- 503.5** Once the invoice for reimbursement has been reviewed and approved, staff shall prepare the coding strip to allocate the costs of the invoice to the appropriate line item of the budget. The coding strip shall be keyed into the County's financial package and the original invoice for reimbursement and supporting documentation shall be sent to the Auditor's Office. A copy of the invoice for reimbursement and supporting documentation shall be filed by Commission's staff.
- 503.6** Once approved by the Auditor's Office, a County warrant shall be generated and the Auditor's Office shall mail the warrant directly to the agency submitting the invoice for reimbursement. Contractor's may choose to receive payment via electronic funds transfer.
- 503.7** Contractors shall retain a copy of all invoices submitted to the Commission and any supporting documentation in accordance with the Contractor's financial retention policy, or five years, whichever is greater.

Section 504 – Advance Payments to Contractors

Policy:

Advance payments may be made to Contractors in select situations.

Procedure:

- 504.1** Requests for advance payments must be submitted in writing to the Executive Director.
- 504.2** Advance payments may be granted to Contractors on a case-by-case basis at the discretion of the Executive Director.
- 504.3** Advances shall normally be the equivalent of 1 month anticipated expenditures. Advances shall be calculated by projecting program needs for the next month, less any advanced funds on hand. The purpose of this calculation is to ensure that the advance payments are reasonably determined and are calculated as close as possible to the actual claim amount.
- 504.4** An advance of more than two (2) months of the annualized contract value requires the approval of the Commission.
- 504.5** Two (2) or more requests for advance payments during a twelve month period, whether approved or not, may indicate a sign of financial distress and the Contractor should be evaluated by Commission staff.
- 504.6** When an advance payment is granted, all interest accumulated as a result of receiving such an advance shall be reinvested in the program or revert back to the Stanislaus County Children and Families Commission.
- 504.7** Advance payments shall be reconciled with actual expenditures within 45 days of the end of the Commission's fiscal year.

Section 505 – Recovery of Payments to Contractors

Policy:

In certain circumstances, actions may be taken to recover payments to Contractors. Such recovery of payments may be necessary for the Commission to fulfill its fiduciary responsibility and for good stewardship of the public funds entrusted to the Commission.

Procedure:

505.1 The Commission shall recover payments previously made to Contractors for reasons that include, but are not limited to, to the following:

- ❑ The invoice used as the basis for payment was in excess of allowable costs or in excess of the amounts usually charged by the Contractor or any of its subcontractors
- ❑ Services provided were not adequately documented in the records of the Contractor or any of its subcontractors or when the intensity or quality of services provided justifies a lower level of payment
- ❑ The invoice contained false or incorrect supporting documentation
- ❑ The services provided were excessive, inappropriate or in violation of Commission policy
- ❑ The services were provided to persons who did not meet the standards for participation in the agreement
- ❑ The services were not covered by the agreement

505.2 The Commission shall recover payments when audit exceptions result from the actions of the Contractor or the Contractor's subcontractor.

505.3 Staff may withhold future payments due to the Contractor to recover funds due to the Commission under this section.

Section 506 – Contract Budgets and Budget Revision by Contractors

Policy:

It shall be the policy of the Commission to require Contractors to establish, at the time a contract is signed, an estimated expenditure budget for the contract. Contractor is responsible for management and monitoring of monthly expenses and budget to avoid overspending. Expenditures made by Contractors are not to exceed 10% of any line item and are not to exceed the subtotal in the Personnel, Services, or Fixed Assets categories without a budget revision being submitted and approved by the Executive Director or his designee.

Procedure:

506.1 Prior to the contract start date, the Contractor shall provide budget documents to the Commission for review and approval.

- Fiscal Year Budget form – annual line item budget
- Budget Narrative - describe and substantiate the line item budget amounts

Personnel Worksheet – describe the full time equivalent of each staff member allocated to program

506.2 Budget revisions initiated by the Contractor are to be submitted in advance of the proposed change by submitting a Budget Revision Form and a Budget Narrative Form. The Commission may choose not to reimburse expenses incurred prior to the approval of a submitted budget revision request. Budget revision requests may be submitted at any time between July and April of the fiscal year. Revisions may not be submitted during May and June.

506.3 Budget revisions should be used with great discretion on the part of a Contractor. A maximum contract amount should not be viewed as the Contractors money, but rather as Commission funding approved to accomplish the goals of the budget plan that was approved. A budget plan is created for each contract and approved before the contract begins. This budget plan is the approved spending roadmap in order to achieve the Commission's priorities. If a Contractor is not expending funds in specific budget categories according to the plan, there should be no expectation by the Contractor to be entitled to maximum funding of the contract. Examples of funding for budget revisions that will not be approved by the Commission, and should not be submitted, include:

- Stocking up on supplies that are outside the scope or budget plan
- Purchasing for a different fiscal year
- The intention to expend unused funds to avoid "losing" the funding

506.4 Approval of the Executive Director or designee is required for any budget revision proposed by a Contractor that:

- Increases or decreases a line item by more than 10%
- Increases or decreases the subtotal of the Personnel, Services, or Fixed Asset categories

506.5 The Commission's Executive Director or designee may approve Contract budget amendments, so long as:

- a. The planned expenditures in the budget revision are consistent with the contractual scope of work
- b. The budget revision does not materially change the scope, size, capacity, or direction of the program
- c. The budget revision does not increase the total value of the contract

506.6 A Contractor whose budget revision request has been denied by the Executive Director or designee may submit the request to the Commission.

507 – Appropriation of Funds

Policy:

It shall be the policy of the Commission to approve fiscal year appropriations for Contractors. Each annual appropriation shall be the maximum amount of Proposition 10 funds available to a Contractor in a fiscal year. Budget revisions for a Contractor may be considered as needed, but may not exceed the maximum amount of the contract. Appropriations for a fiscal year not used or not invoiced by a Contractor shall revert to the Commission.

508 – Contractor Fiscal Reporting & Management

Policy:

It is the expectation that Contractors conduct appropriate budget monitoring and reporting.

Procedure:

508.1 Contractors shall appropriately monitor their monthly budget expenditures and have knowledge of budget versus actual expenditures for tracking and reporting purposes.

508.2 Contractor shall annually prepare a written report of all inventory items and submit the report to the Commission's Executive Director. Contractor shall also file an inventory report with the Commission within ten (10) days after termination of agreement.

PROGRAM MONITORING AND EVALUATION
POLICIES (SECTIONS 600-799)

Section 600 – Monitoring and Evaluation of Contractors

Policy:

All Contractors shall be monitored and evaluated on a regular basis throughout their contract period.

Procedure:

600.1 Monitoring means any planned, ongoing, or periodic activity that measures and ensures Contractor compliance with the terms, conditions, and requirements of a contract.

600.2 Evaluation is the systematic acquisition and analysis of information to provide useful feedback to a funded program and to support decision making about continuing or altering program operations. It is an on-going process in which questions are selected, framed, and answered in order to assess the value and effectiveness of programs, as well as to further strengthen and build the capacity of programs.

600.3 Technical assistance means to support and assist Contractors/partners in the development of those changes, alterations, adjustments and amendments that ~~will~~ increase the likelihood of the Contractor successfully and effectively performing under the terms, conditions, and requirements of their contract.

600.4 Activities that shall be used to monitor and evaluate Contractor performance may include:

- ❑ **Periodic Contractor reporting:** Quarterly, as required in their contractual scope of work, contractors shall submit activity and outcome data in a format prescribed by the State of California and the Stanislaus County Children and Families Commission.
- ❑ **Review of Contractor’s audit reports:** Examination of an independent audit commissioned by the Contractor.
- ❑ **Invoice Reviews:** Ensures the costs being charged are within contract parameters.
- ❑ **Financial Monitoring:** Commission reserves the right to perform on-site evaluation of financial records and internal control mechanisms upon reasonable advance notice.
- ❑ **Onsite reviews and observations:** At least semi-annually, this may include some or all of the following: interviews with Contractor staff, interviews with clients about services received, reviews of key systems and service documentation, reviews of client case records, reviews of personnel records to ensure staff have appropriate credentials, reviews of on-site fiscal records, observations of operations, and reviews of scopes of work and scorecards.
- ❑ **Contact with Contractor:** Continuous dialogue with the Contractor in the form of letters, meetings, and phone conversations.
- ❑ **Surveys:** Concerning contract service delivery and quality.

600.5 The Contractor is responsible for developing and operating a data collection system that provides timely and accurate information on activities, progress towards milestones, and

outcomes. When requested, Commission staff shall assist the Contractor in the development of a data collection and reporting system.

Section 601 – Site Visits

Policy:

Site visits shall be performed at least twice per year. Commission staff shall review information regarding program activities, content, effectiveness, and fiscal processes and shall document site visits in writing.

Procedure:

601.1 Commission partners shall complete a site visit progress report and submit it to Commission staff prior to the visit. Staff shall review program operation documentation provided by the Contractor and compare it to the contractual scope of work and the scorecard. Documentation to monitor and evaluate Contractor performance may include:

- ❑ Announcements about training sessions, workshops, seminars
- ❑ Sign in sheets
- ❑ Surveys
- ❑ Reports and data
- ❑ Summaries of clients served
- ❑ Quarterly scorecard reports (SCOARRS)

601.2 Following each site visit, staff shall send a letter to the Contractor detailing what was observed and discussed. The letter shall include an assessment of the Contractor's efforts to comply with the contract's scope of work and scorecard. The review letter may contain a list of the subjects or items to be reviewed or discussed during the next site visit. Electronic copies of letters sent shall be filed in the Contractor's folder for future reference. Site visit reports and a log of communications with the Contractor may also be included in an electronic database.

601.3 If a substantial variance exists between planned and actual work, activities, milestones, targets, or outputs, staff may develop a corrective action plan with time specific and measurable goals or activities for the Contractor to perform in order to correct operational or contractual deficiencies. Any such plan developed shall focus on activities and services provided by the Contractor and changes needed in order for the Contractor to meet planned contractual obligations. Such a corrective action plan shall be filed in the Contractor's folder for future reference and may also be included in an electronic database, which shall allow all staff to review the progress of the Contractor.

Section 602 – Corrective Action by Contractors

Policy:

Contractors significantly deviating from planned performance shall be required to develop and implement corrective actions.

Procedure:

602.1 Corrective action means action taken by the Contractor that corrects identified deficiencies or produces recommended improvements. Corrective action is suggested when identified deficiencies are serious (for example, a failure to ensure client health or safety) or where less formal means have failed. Examples of issues requiring corrective action include:

- ❑ Significant audit or monitoring findings
- ❑ Inferior quality of services
- ❑ Failure to perform all or part of the contract
- ❑ Late performance
- ❑ Late submission of reports or invoices on a recurring basis
- ❑ Inadequate, unclear, or excessive billing.
- ❑ Failure to adequately meet contractual obligations.

602.2 When an item or issue is noted that needs correction, Commission staff is to:

- ❑ Notify the Contractor both verbally and in writing that a problem has been identified.
- ❑ Clearly identify the problem verbally and in writing using dates, number of occurrences, or other data that quantifies the problem. For example, “Paragraph 4 of your Contract states that you must submit a report by the 5th of each month. Your reports for May, June, and July were all submitted over 5 weeks after the due date, and we have not yet received your August report.”
- ❑ Ask the Contractor to advise how the problem shall be corrected.
- ❑ Notify the Contractor of expectations for correcting the problem. If appropriate, ask the Contractor to propose a corrective action plan, including dates when corrective action shall be completed.
- ❑ Document conversations with the Contractor by way of a memo to the contract file.

602.3 While a Contractor is working to correct a problem, Commission staff ~~may~~ offer advice, assistance, and support to encourage a successful resolution of the problem. Commission staff shall track all corrective action to completion and shall consult with the Contractor when requested.

602.4 When the corrective action resolves the issue, Commission staff shall notify the Contractor in writing that resolution has been achieved. A copy of such a letter shall be included in the in the contract file.

602.5 If a deadline is missed or corrective action is otherwise not completed, Commission staff shall notify the Contractor in writing that a deadline has been missed and ask the Contractor when the action shall be completed. The Contractor shall be advised that failure to comply with the corrective action plan could lead to termination of the contract. Staff shall notify the Commission of the failure of the Contractor to perform in accordance with the agreement and/or any plan of correction. The matter may be scheduled for formal Commission action.

Section 603 – Audits of Contractors

Policy:

Annually, each Contractor shall be responsible for the procurement and completion of an annual fiscal and compliance audit.

Procedure:

- 603.1** The annual audit must be performed in accordance with the following standards, as deemed appropriate: Generally Accepted Auditing Standards (GAAS), Governmental Auditing Standards (GAS) and OMB Circular A133.
- 603.2** The audit of a public agency, when performed pursuant to state law, shall meet the requirement of this Policy.
- 603.3** Contractor is responsible for submitting to the Commission an audit report, prepared in accordance with said requirements, within one hundred and eighty (180) days of the end of the commission's fiscal year along with a copy of any management report prepared as a result thereof. Failure to do so may result in delayed payments to contractor.
- 603.4** In the event of an audit exception or exceptions, the Contractor shall be responsible for reimbursing the Commission for audit exceptions resulting from the actions of the Contractor or the Contractor's subcontractors.

Section 604 – Review of Contractor Materials

Policy:

Contractors shall submit certain materials to Commission staff for review before publication.

Procedure:

604.1 Prior to publication or distribution, the Commission's Executive Director or designee shall approve Contractor's deliverable or non-deliverable reports, publications, brochures, or other materials to distributed to the public, which are produced or funded with Commission funds.