

**EXECUTIVE/FINANCE  
COMMITTEE MEETING  
AGENDA**

Monday, January 22, 2018 at 3:00 pm.  
6800 N. Dale Mabry, Suite 134  
Tampa, Florida 33614  
**Call-in: 866-866-2244**  
**Access Code: 5194796**

**I. CALL TO ORDER**

- A. Quorum Verification
- B. October 16, 2017 Executive/Finance Committee Meeting Minutes (motion to amend previously adopted) (Pg. 3)
- C. Approval of Minutes for November 7, 2017 Executive/Finance Committee Meeting (Pg. 6)

**II. PUBLIC COMMENT I**

*Individuals wishing to address the Early Learning Coalition of Hillsborough County Board of Directors must complete a Public Comment Request Card and submit it to the official recorder prior to the noticed start time of the meeting. Said comments will be limited to three (3) minutes per individual on a first come, first serve basis, and only at such time as is identified on the official meeting agenda for public comment. All public comment in Public Comment I must pertain to an item on the approved agenda.*

**III. OLD BUSINESS**

**IV. ACTION ITEMS**

- A. Draft/Proposed Board Agenda (Pg. 9) K. Perkins
- B. Purchasing and Disbursement Policies (Pg. 11) S. Costner
- C. Voluntary Pre-Kindergarten (VPK) Contract Enforcement (Pg. 60) K. Perkins
- D. Contract Amendment Three to School Readiness Contract with School District of Hillsborough County (Pg. 61) B. Davis
- E. School Readiness Match Contract Amendment One With School Board of Hillsborough County (Pg. 62) B. Davis

**V. DISCUSSION ITEMS**

- A. Budget Report (Pg. 63) J. McElroy/S. Costner

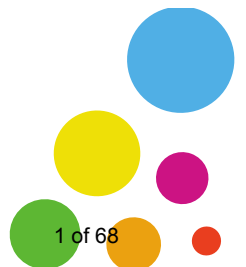
**VI. INFORMATION ITEMS**

- A. Notice of Award for Performance Funding Project (Pg. 67) B. Davis

**VII. ADJOURNMENT**

**UPCOMING MEETINGS**

**Board of Directors Meeting-** Monday, February 12, 2018 at 3:00 pm.  
**Executive/Finance Committee Meeting-** Monday, March 26, 2018 at 3:00 pm.



## UPCOMING EVENTS

**2018 Celebrate Literacy, Florida!**- Monday, January 22 – Friday, January 26, 2018

**Day of Play**- Sunday, February 25, 2018 at Al Lopez Park from 10:00 am to 2:00 pm.



## EXECUTIVE/FINANCE COMMITTEE

### APPROVED MINUTES

Monday, October 16, 2017 at 3:00 pm  
6800 N. Dale Mabry, Suite 158  
Tampa, Florida 33614

#### MEETING ATTENDANCE

**Facilitator:** Aakash Patel, Chair

**Committee Members Present:**

Angela Chowning\*, Dianne Jacob\*, Joe McElroy\*, Sandra Murman\*, Aakash Patel, and Dr. Shawn Robinson\*.

**Committee Members Absent:**

Scott Barrish and Lynne Hildreth.

**ELCHC Staff:**

Dr. Steve Knobl, Bobbi Davis, Steve Costner, Kelley Minney, Liza Normandia, Karen Perkins, and Helen Sovich.

**Board Members Present:**

Marie Caracciola and Kelley Parris

**Other Attendees:**

\*Indicates attendance by phone.

#### CALL TO ORDER

**Quorum Verification**

Noting a quorum had been established, Chair Patel called the meeting to order at 3:02 pm.

**Chair Report**

Chair Patel reported that he had received and accepted Dr. Steve Knobl's letter of resignation on behalf of the ELCHC Board of Directors on October 13, 2017, and that Dr. Knobl's last day at the ELCHC would be December 29, 2017. Chair Patel stated that staff had been notified of Dr. Knobl's resignation and that an announcement was done on Facebook Live.

Dr. Knobl stated that he appreciated the opportunity to serve as Chief Executive Officer (CEO) for the ELCHC.

There was a discussion regarding next steps in the search for a new CEO. The Committee recommended issuing a Request for Proposal (RFP) for an Executive Search firm to recruit a new CEO. A discussion was held regarding the release date and time frame of the RFP. Chair Patel recommended that the RFP be released on Friday, October 20, 2017, and that Friday, November 3, 2017 would be considered the deadline to submit an RFP. Ms. Kelley Parris recommended that the Committee hold a meeting to review the RFP prior to its release. Chair Patel requested that staff

send an updated RFP to the Committee by Friday, October 20, 2017, and that the Committee hold a conference call to discuss and approve the RFP.

### **Approval of August 21, 2017 Executive/Finance Committee Meeting Minutes**

*Dr. Shawn Robinson made a motion to approve the August 21, 2017 Executive/Finance Committee Meeting Minutes. Joe McElroy made a second. The motion carried unanimously.*

### **PUBLIC COMMENT**

There was no Public Comment.

### **OLD BUSINESS**

#### **Board Retreat**

Dr. Steve Knobl reported that the Board Retreat would precede the 3:00 pm Board meeting on Monday, November 13, 2017 from 12:00 p.m. to 2:30 p.m. Dr. Knobl discussed the plan for the breakout sessions during the retreat. Dr. Knobl stated that boxed lunches would be provided, and that board members would be asked to pay for their own lunches.

### **ACTION ITEMS**

#### **Draft/Proposed Board Agenda**

Dr. Knobl stated that a presentation from the Provider Services Department would be given at the November 13, 2017 Board meeting.

#### **Quality Initiatives Budget Amendment**

There was a discussion regarding the Quality Initiatives Budget Amendment. Mr. Steve Costner, CFO reported that there was 2.4 million dollars in unallocated School Readiness (SR) funds, and that staff was recommending that \$562,062 of unallocated School Readiness funds be allocated to support the Quality Counts program. Mr. Costner added that the transfer of funds would serve approximately 100 kids from the School Readiness waitlist.

Ms. Kelley Parris stated that she strongly opposed the shifting of funds to the Quality Counts Program and that all School Readiness funds were to be used on slots to help move kids off the waitlist. Ms. Parris added that the budget amendment would need to go before the full board for approval.

Mr. Costner stated that the ELCHC was required by the Office of Early Learning (OEL) to spend 4% of the approved budget on Quality Initiatives and that not shifting the funds to Quality could jeopardize the agreement with the Office of Early Learning. Dr. Shawn Robinson and Commissioner Sandra Murman stated that they agreed with Ms. Parris and would vote against the amendment. Commissioner Murman recommended that the budget amendment be included as a topic of discussion on the Waitlist Elimination Committee Agenda for the upcoming meeting on October 31, 2017.

Ms. Kelley Parris stated that she would send her questions and requests regarding the budget amendment to Kelley Minney to forward to the full board.

The Committee did not vote on the Quality Initiatives Budget Amendment.

**Contract Amendment with the School board of Hillsborough County**

Ms. Bobbi Davis reported that staff recommended a contract amendment with the School Board of Hillsborough County in the amount of 1.5 million dollars to increase the number of slots in the School Readiness (SR) program.

The Committee did not vote on the Contract Amendment.

**DISCUSSION ITEMS**

**Budget Report**

Mr. Steve Costner reported on the School Readiness (SR) budget, Voluntary Pre-Kindergarten (VPK) budget, and the Coalition budget.

**ADJOURNMENT**

The meeting adjourned at 3:32 pm.

Read and approved by: \_\_\_\_\_  
Lynne T. Hildreth, Secretary Date



**EXECUTIVE/FINANCE  
COMMITTEE  
UNAPPROVED MINUTES**

Special Meeting  
Tuesday, November 7, 2017 at 9:30 am  
Conference Call  
Tampa, Florida 33614

**MEETING ATTENDANCE**

**Facilitator:** Aakash Patel, Chair

**Committee Members Present:**

Scott Barrish\*, Lynne Hildreth\*, Dianne Jacob\*, Joe McElroy\*, and Aakash Patel.\*

**Committee Members Absent:**

Angela Chowning, Sandra Murman, and Dr. Shawn Robinson.

**Board Members Present:**

Kelley Parris

**ELCHC Staff:**

Bobbi Davis, Steve Costner, Steve Knobl, Kelley Minney, and Helen Sovich

**Other Attendees:**

\*indicates attendance by phone.

**CALL TO ORDER**

**Quorum Verification**

Noting a quorum had been established, Chair Patel called the meeting to order at 9:33 am.

**Approval of October 24, 2017 Executive/Finance Committee Meeting Minutes.**

***Scott Barrish made a motion to approve the October 24, 2017 Executive/Finance Committee Meeting minutes as posted. Joe McElroy made a second. The motion passed unanimously.***

**PUBLIC COMMENT**

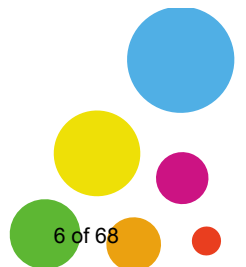
There was no Public Comment

**OLD BUSINESS**

There was no Old Business.

**ACTION ITEMS**

There were no Action Items.



## DISCUSSION ITEMS

### Request for Proposal Results

Helen Sovich, ELCHC Human Resources Manager reported that she had received three (3) proposals in response to the RFP:

1. Dice Management
2. HR Trust
3. Young Search Partner, LLC

Ms. Sovich stated that DICE Management, LLC, based out of Georgia, had the lowest bid of \$11,137.00 but lacked specific information on which non-profits and CEO positions they had filled. HR Trust had a fixed fee bid of \$19,900.00 and was based in Hillsborough County, and Young Search Partners, LLC had a fixed fee bid of \$33,000.00. Ms. Sovich recommended Young Search Partners, LLC based on their qualifications, credentials, and experience.

The Committee had a discussion regarding the experience, qualifications, cost, schedule, and location of the three proposals. The Committee agreed that the Florida based search firms would be considered, and, therefore, took DICE Management off the table. Chair Patel recommended that Florida based search firms be a requirement for future proposals.

Chair Patel requested that Committee members share which firm they preferred.

Dianne Jacob stated that she was inclined to choose HR Trust over Young Search Partners, LLC due to the cost differential.

Scott Barrish stated that he was inclined to choose Young Search Partners, LLC due to their credentials and experience.

Joe McElroy stated that he agreed with Scott Barrish, but struggled with the cost differential of Young Search Partners, LLC.

Lynne Hildreth stated that she was impressed with HR Trust narrative and that they were a subsidiary of the County Civil Service Board. Ms. Hildreth added that HR Trust was at a lower cost and that she was inclined to give the firm a chance.

Kelley Parris stated that she was inclined to choose HR Trust. Ms. Parris added that HR Trust was familiar with the need of the early learning community, that they had close connections with the School District, and that they would know the type of individual needed to reach across the aisle. Ms. Parris added that the cost differential was a concern as well.

***Dianne Jacob made a motion to accept the proposal from HR Trust. Lynne Hildreth made a second. Scott Barrish, Joe McElroy, and Aakash Patel opposed. The motion failed with 2 votes in favor and 3 votes opposed.***

***Joe McElroy made a motion to accept Young Search Partners, LLC. Scott Barrish made a second. Dianne Jacob and Lynne Hildreth opposed. Aakash Patel voted in favor. The motion passed with 3 votes in favor and 2 votes opposed.***

Helen Sovich requested that Committee members submit their rating sheets to Kelley Minney by 3:00 pm on November 7, 2017 in order to support the decision of the Committee. Ms. Sovich added that once the rating sheets were submitted they would proceed with executing a contract with Young Search Partners, LLC.

### **Chief Executive Officer (CEO) Job Description**

Helen Sovich recommended the following changes to the Chief Executive Officer (CEO) Job description:

1. Page 3, move the bullet point “proven communication skills, both written and verbal from Desirable Qualifications to Essential Qualifications.
2. Page 3, remove the bullet point “stable work history” from Essential Qualifications.

Chair Patel stated that he agreed with the recommended changes to the job description.

### **ADJOURNMENT**

***Citing no further business, Dianne Jacob made a motion to adjourn the meeting at 10:03 am. Scott Barrish made a second. The motion carried unanimously.***





**BOARD OF DIRECTORS  
MEETING AGENDA**

Monday, February 12, 2018 at 3:00 pm  
6800 N. Dale Mabry Highway, Suite 134  
Tampa, Florida 33614  
**Call-in: 866-866-2244**  
**Access Code: 5194796**

DRAFT/PROPOSED

**I. CALL TO ORDER**

A. Patel

**II. PLEDGE OF ALLEGIANCE**

A. Patel

**III. PUBLIC COMMENT I**

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**IV. CONSENT AGENDA (Pg. \*\*\*)**

*The "consent agenda" is a single agenda item typically addressed first after convening the board meeting and establishing that a quorum is present. The consent agenda encompasses all the routine, pro forma and noncontroversial items that the Board needs to vote on.*

- A. Approval of November 13, 2017 Board Meeting Minutes
- B. Approval of Revised Bylaws

**V. EXECUTIVE REPORTS**

- A. Chair Report A. Patel
- B. Interim CEO Report K. Perkins
- C. CFO/Treasurer Report S. Costner/J. McElroy
- D. Family Services Updates Family Services Team

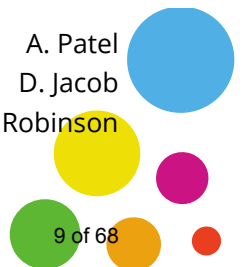
**VI. OLD BUSINESS**

**VII. ACTION ITEMS**

- A. Contract Amendment Three for School Readiness Contract with School District of Hillsborough County B. Davis
- B. School Readiness Match Contract Amendment One with School Board Of Hillsborough County B. Davis

**VIII. COMMITTEE REPORTS**

- A. Executive/Finance Committee A. Patel
- B. Communications & Outreach Committee D. Jacob
- C. Governance Committee S. Robinson



- D. Legislative Affairs Committee
- E. Waitlist Elimination Committee

S. Murman  
L. Buzard

**IX. DISCUSSION ITEMS**

**X. INFORMATION ITEMS**

- A. Licensing Update
- B. Performance Funding Project Notice of Award
- C. Fiscal Monitoring Report
- D. Dashboard

A. Chowning

**XI. PUBLIC COMMENT II**

*Individuals wishing to address the Early Learning Coalition of Hillsborough County Board of Directors must complete a Public Comment Request Card and submit it to the official recorder prior to the noticed start time of the meeting. Said comments will be limited to three (3) minutes per individual on a first come, first serve basis, and only at such time as is identified on the official meeting agenda for public comment.*

**XII. ADJOURNMENT**

**Board/Staff Tasks & Assignments Completed from November 13, 2017 Board Meeting**

Task	Owner	Date Completed
Amend September 18, 2017 Board minutes.	K.Minney	9/19/17

**UPCOMING MEETINGS**

**Executive/Finance Committee Meeting-** Monday, March 26, 2018 at 3:00 pm.

**Board of Directors Meeting-** Monday, April 23, 2018 at 3:00 pm.

**UPCOMING EVENTS**

**Day of Play-** Sunday, February 25. 2018 at Al Lopez Park from 10:00 am to 2:00 pm.

**Dr. Suess Book Fair-** February 26- March 2, 2018

**Provider Appreciation Day-** May 2018

**ACTION**

**ITEM IV.B.**

<b>ISSUE:</b>	<b>Purchasing and Disbursement Policies</b>
<b>FISCAL IMPACT:</b>	No Fiscal Impact
<b>FUNDING SOURCE:</b>	Not Applicable
<b>RECOMMENDED ACTION:</b>	Approve the attached Purchasing and Disbursement Policies

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**NARRATIVE:** The Purchasing and Disbursement policies are required to be approved by the Office of Early Learning (OEL) and the Coalition’s board of directors. These policies have been approved by OEL.



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## **Purchasing Policy for use with state and federal funds**

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### **OVERVIEW**

The policies described in this section apply to all purchases made by the Early Learning Coalition of Hillsborough County.

The Early Learning Coalition of Hillsborough County requires the practice of ethical, responsible, and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all staff shall adhere to in the completion of their designated responsibilities.

The goal of these procurement policies is to ensure that materials and services are obtained in an effective manner and in compliance with the provisions of applicable federal and state statutes and the Early Learning Coalition of Hillsborough County procedures.

The Early Learning Coalition of Hillsborough County policies and procedures will comply with the following federal/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



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## **Purchasing Policy for use with state and federal funds**

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### **Code of Conduct in Purchasing**

Ethical conduct in managing the Organization's purchasing activities is absolutely 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. The ELCHC shall maintain written standards for handling instances of conflict of employees or other individuals impacted by procurement activities. [2 CFR Part 200.318]

- 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.
- No officer, board member, employee, or agent shall participate in the selection or administration of a 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 vendor selected.
- Officers, board members, employees, and agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or parties to sub-agreements.
- Unsolicited gifts of a nominal value may not be accepted

### **Disallowed Purchases**

Examples of disallowed items may include, but are not limited, to the following:

- Alcoholic beverages;
- Aspirin, band-aids, and other such items for personal benefit;
- Briefcases, lamps and clocks without specific justifications;
- Congratulatory or condolence telegrams;
- Convenience appliances, such as stoves, dishwashers, and mugs.
- Entertainment costs;
- First class tickets
- Fines and penalties
- Goods and services for the personal use of staff
- Greeting cards;
- Memberships in social, dining, or country clubs, or in civic and community organizations;
- More expensive office supplies, furniture, etc., than necessary to meet a legitimate need;

### **Competition**



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## **Purchasing Policy for use with state and federal funds**

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[2 CFR Part 200.319]

In order to promote open and free competition, purchasers will:

- Make purchases using one of the allowed methods of procurement as contained in, [2 CFR Part 200.320]
- Contract when possible with small and minority businesses. [2 CFR Part 200.321]
- Comply with instructions for procurement of recovered materials. [2 CFR Part 200.322]
- Be alert to any internal potential conflicts of interest.
- Be alert for organizational conflicts of interest.
- Be alert to any noncompetitive practices with or among contractors that may restrict, eliminate or restrain trade.
- Not permit contractors who develop specifications, requirements or proposals to bid on such procurements.
- Not place unreasonable requirements on firms in order for them to qualify to do business;
- Not require unnecessary experience and excessive bonding;
- Not specify only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
- Be alert to avoid any arbitrary action in the procurement process.
- All pre-qualified lists of persons, firms or products which are used in acquiring goods and services must be current and include enough qualified sources to ensure maximum open and full competition
- Award contracts to bidders whose product/service is most advantageous in terms of price, quality and other factors.
- Issue solicitations that clearly set forth all requirements to be evaluated.
- Reserve the right to reject any and all bids when it is in the Organization's best interest.

### **Non-Discrimination Policy**

All vendors/contractors who are the recipients of Organization funds, or who propose to perform any work or furnish any goods under agreements with the Early Learning Coalition of Hillsborough County, shall agree to these important principles:

- Vendors/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.



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## Purchasing Policy for use with state and federal funds

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- Vendors/contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination 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.

### Procurement Procedures

The following are the Coalition's procurement procedures:

- 1) The policies used by the Coalition will apply to all entity activities/purchases made. *(2 CFR part 200.403(c))*
- 2) Policies used by the entity will comply with applicable instructions from state purchasing rule(s). *Rule 60A-1.002, FAC – Purchase of commodities or contract services*
- 3) The Coalition will comply with disclosure requirements for all agreements funded by federal and/or state monies passed-through the State Treasury. *(Section 215.971, F.S.)*
- 4) The policies used by the Coalition will require disclosure in writing of any potential/real conflicts of interest. *(2 CFR Part 200.112)*
- 5) Disclose in writing all violations of federal criminal law involving fraud, bribery or gratuity violations potentially affecting the federal award. *[2 CFR Part 200.113]*
- 6) The Coalition will maintain written standards for handling instances of conflict of employees or other individuals impacted by procurement activities. *(2 CFR Part 200.318)*
- 7) Policies will comply with applicable cost and price analysis requirements for procurement transactions. *[2 CFR Part 200.323]* See below for more details.
- 8) All procurement files and records must be available for inspection and review upon request by federal awarding agency or pass-through entity. *[2 CFR Part 200.324]*
- 9) Comply with bonding requirements for construction-related contracts. (if allowable). *[2 CFR Part 200.325]*
- 10) Include all required/applicable contract provisions/disclosures in writing. *(2 CFR Part 200.326)*
- 11) For all procurements in excess of the small purchase acquisition threshold as defined by F.S. 287.017 (\$35,000), procurement records and files shall be maintained that 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.
- 12) 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 or State agency. (Alternatively, the Coalition may research potential vendors on the Excluded Parties List at the GSA\ website.)

Compliance with section 287.058, F.S. – Contract document



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## Purchasing Policy for use with state and federal funds

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Policies used by the entity will comply with minimum disclosure requirements for contracts and purchase order agreements in excess of the threshold amount provided in s. 287.017 for Category Two (\$35,000).

- Bills for fees, compensation or expenses will be submitted with enough details for proper pre-audits and post-audits thereof.
- Bills for any travel expenses will be authorized, documented and reimbursed in accordance with Section 112.061, F.S.
- Contractor to comply with contract delivery terms (criteria), related timelines and final completion date(s) as specified.
- Renewal clause (if authorized by related procurement files) for a period that may not exceed 3 years or the term of the original contract, whichever is longer. Note: emergency or exceptional purchases cannot be renewed.
- Intellectual property rights for pre-existing property (ownership usually remains with Contractor), for created/developed property (ownership by State of FL), or proceeds from sale/licensing activities (ownership determined as specified by applicable state statute). [s. 287.058(1), F.S.]

Make purchases using one of the allowed methods of procurement. [2 CFR Part 200.320]

The following are Early Learning Coalition of Hillsborough County's procurement procedures:

Early Learning Coalition of Hillsborough County shall avoid purchasing items that are not necessary for the performance of the activities of the Organization. [2 CFR Part 200.318(d)]

Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement method. This analysis should only be made when both lease and purchase alternatives are available to the program. [2 CFR Part 200.318(d)]

- 1) Applies at federal level for purchases in excess of simplified acquisition threshold (\$150,000)
- 2) Independent in-house estimates required before receiving bids or proposals
- 3) When applicable or required, negotiate profit as a separate element of price
- 4) Costs or prices are limited to allowable costs based on federal and state cost principles





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## Purchasing Policy for use with state and federal funds

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- 5) Some form of cost or price analysis shall be made for every procurement. Price analysis may be made in various ways, including comparison of price quotations submitted or market prices. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability, and allowability. Cost/price analysis for routine supplies may be performed at the beginning of the year to identify a vendor to be used for the entire year. Such items should be priced in total, not by individual item.
- 6) Documentation of the cost and price analysis associated with each procurement decision shall be retained in the procurement files pertaining to each Federal award.
- 7) For all procurements of commodities and services utilizing funds from Florida's Office of Early Learning (FOEL) will comply with the provisions of applicable OMB Circulars and sections 287.057 and 287,057, Florida Statutes. For the purpose of this paragraph per the grant agreement with FOEL, the following thresholds will apply:
  - CATEGORY ONE: \$20,000
  - CATEGORY TWO: \$35,000
  - CATEGORY THREE: \$65,000
  - CAEGORY FOUR: \$195,000
  - CATEGORY FIVE: \$325,000
- 8) Early Learning Coalition of Hillsborough County shall make all procurement files available for inspection upon request.
- 9) 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. (Alternatively, the Organization may research potential vendors on the Excluded Parties List at the GSA\ website.)
- 10) Early Learning Coalition of Hillsborough County shall not utilize the "cost-plus-a-percentage-of-costs method of contracting.
- 11) When possible, use state and local inter-entity agreements to procure common or shared goods and services. [2 CFR Part 200.318(e)]
- 12) Use federal excess and surplus property instead of purchasing new equipment and property when possible and if such activity helps reduce program/project costs. [2 CFR Part 200.318(f)]
- 13) Not use state or geographical preferences in the evaluation of bids or proposals except where



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## **Purchasing Policy for use with state and federal funds**

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Federal statutes mandates or encourages it. [2 CFR Part 200.319(7)(b)]

### **Exempt from Sales Tax**

The Early Learning Coalition is exempt from paying sales tax under Florida Statute 212.08(06).

### **Responsibility for Purchasing**

All department heads shall have the authority to initiate purchases on behalf of their department, within the guidelines described here. The Accounting Specialist shall be responsible for creating purchase orders that conform to the policies and procedures established by the ELCHC's Accounting Department. The Chief Executive Officer has approval authority over all purchases and contractual commitments, and shall make the final determination on any proposed purchases where budgetary or other conditions may result in denial.

### **Purchasing by Credit Card**

Purchases may be made by the use of credit cards issued to qualified Early Learning Coalition Staff. The credit cards are paid monthly in accordance with the statement that is received. The Early Learning Coalition must prepare purchase orders and forward its receipts and other backup documents to the Accountant. The credit card statement is reconciled each month.

### **Purchase Orders**

All purchases require a purchase order. The ELC accounting specialist initiates purchase orders. Purchase orders are entered into MIP through the automated purchase order system at the accounts payable level. Contracts must be signed before distribution to the vendor.

Early Learning Coalition of Hillsborough County policies and procedures will comply with the following federal/state laws, regulations, statutes and rules.

- 60A-1.016 F.A.C., Contract and Purchase Order Requirements.
- DFS Reference Guide for Sate 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

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## **Purchasing Policy for use with state and federal funds**

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- 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

### **Use of Purchase Orders**

#### **A. Use of purchase orders [60A-1.016, F.A.C., Contract and Purchase Order Requirements]**

The ELCHC utilizes a purchase order system. A properly completed purchase order shall be required for each purchase decision with the exception of expense reimbursements, which require the preparation of a separate form described elsewhere in this manual. Purchase orders are electronic and the numbers are assigned by the purchase order system. and issued upon request from an authorized purchaser.

A properly completed purchase order shall contain the following information.

- 1). Minimum required Purchase Order policy disclosures
  - a. Vendor name, address, point of contact and phone number
  - b. Source of funding
  - c. Solicitation number (if applicable)#
  - d. Statements regarding the quantity, description, and price of goods or services ordered#
  - e. Applicable payment terms and discounts#
  - f. Date of performance, transportation/delivery#
  - g. Liquidated damages#
  - h. Catalog number, page number, etc. (if applicable)
  - i. Net price per unit, less any discount(s)
  - j. Total amount of order
  - k. Authorized signature
  - l. Date purchase order was prepared

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- m. Additional disclosures required by state purchasing rules
  - Payment audit (records of costs will be available upon request)
  - Payment made after written “agency” acceptance
  - Payment timeframe – timely payments will be made
  - Funding availability/annual appropriation
  - No lobbying
  - Public access/public records
  - Conduct of business – federal/state laws govern
  - Conflict of interest/related party activities
  - Confidentiality and safeguarding information
  - Termination for cause – required for purchases in excess of \$10,000<sup>^</sup>
  - Remedies – required for purchases in excess of \$35,000<sup>^</sup>
- n. Additional disclosures may also apply for higher dollar purchases

**# Required disclosure element per state purchasing statutes or rules (see 60A-1.016, F.A.C.).**

**<sup>^</sup>Required disclosures element per federal grant program rules (see 2 CFR Part 200 Appendix II).**

- 2) Minimum ELCHC control processes required for Purchase Orders (see 60A-1.016, F.A.C.)
  - Purchase orders are electronic and are password protected.
  - Maintain a file and accounting system for all consecutive purchase orders issued or voided.
  - Maintain records of persons authorized to issue and approve each type of purchase order.
  - 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.

Early Learning Coalition of Hillsborough County utilizes an automated purchase order system. A properly completed purchase order shall be required for each purchase decision (i.e., total amount of goods and services purchased). A purchase order will be prepared for expense reimbursements, which also require the preparation of a separate form described elsewhere in this manual. A properly completed purchase order shall contain the following information, at a minimum:

- Specifications or statement of services required
- Vendor name, address, point of contact and phone number
- Account Coding
- Delivery or performance schedules



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- Delivery, packing and transportation requirements
- Special conditions (if applicable)
- Catalog number, page number, etc. (if applicable)
- Net price per unit, less discount, if any
- Total amount of order
- Authorized electronic signature
- Date purchase order was prepared
- Quotes obtained

Purchase orders are pre-numbered by the automated purchase order system. All purchase orders are recorded in the automated purchase order database, and the Coalition will restrict access (via electronic controls and passwords) to all unused purchase orders.

The Automated Purchase Order manual should be referred to for information on the use of this software.

**Authorizations and Purchasing Limits -**

The Chief Executive Officer is authorized to enter into any contract on behalf of Early Learning Coalition of Hillsborough County. All contracts must be reviewed and approved by the Contracts Manager and the Chief Executive Officer. These policies shall also apply to renewals of existing contracts.

The Chief Executive Officer is authorized to approve purchases and/or contracts up to \$20,000. The Executive Committee is authorized to approve purchases and/or contracts up to \$100,000. Any purchases and/or contracts greater than \$100,000 require the approval of the Board of Directors.

The Coalition will comply with Chapter 287, F.S., which regulate contract procurement. Any changes to Chapter 287, F.S. will be incorporated into the Coalition policies and procedures.

The following are the required approval levels and solicitation processes:

Category	Amount of Purchase	Required Approvals	Minimum Required Solicitation	Required Documentation
Small Purchase	< \$2,500	Dept. Director Chief Financial Officer	Requires at least one quote to support cost (best practice is to obtain two quotes)	<ul style="list-style-type: none"> <li>• Receipt approved by Dept. Officer</li> </ul>



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Category	Amount of Purchase	Required Approvals	Minimum Required Solicitation	Required Documentation
Category I	\$2,500 < \$10,000	<ul style="list-style-type: none"> <li>Dept. Director</li> <li>Chief Financial Officer</li> </ul>	two (2) verbal or written quotes, written records of telephone quotations (verbal) are required.	<ul style="list-style-type: none"> <li>Documentation of bids received</li> <li>How decision was made</li> </ul>
Category I	\$10,000 ≤ \$20,000	<ul style="list-style-type: none"> <li>Dept. Director</li> <li>Chief Financial Officer</li> <li>Chief Executive Officer</li> </ul>	two (2) verbal or written quotes, written records of telephone quotations (verbal) are required.	<ul style="list-style-type: none"> <li>Documentation of bids received</li> <li>How decision was made</li> </ul>
Category I	\$20,001 ≤ \$35,000	<ul style="list-style-type: none"> <li>Dept. Director</li> <li>Chief Financial Officer</li> <li>Chief Executive Officer</li> </ul>	three (3) written quotes and document file accordingly	<ul style="list-style-type: none"> <li>Documentation of bids received</li> <li>How decision was made</li> </ul>
Category II	35,000 < \$100,000	<ul style="list-style-type: none"> <li>Dept. Director</li> <li>Chief Financial Officer</li> <li>Chief Executive Officer</li> <li>Executive/Finance Committee of the Board of Directors</li> </ul>	Must be formally competitively procured unless procurement is exempted by Section 287.057(3)(f), F.S.	<ul style="list-style-type: none"> <li>Copy of RFB or RFP</li> <li>Proposal scoring grids including who participated in the scoring</li> <li>Proposal and contract of winning bidder</li> </ul>
Category III	> \$100,000	<ul style="list-style-type: none"> <li>Dept. Director</li> <li>Chief Financial Officer</li> <li>Chief Executive Officer</li> <li>Board of Directors</li> </ul>	Must be formally competitively procured unless procurement is exempted by Section 287.057(3)(f), F.S.	<ul style="list-style-type: none"> <li>Copy of RFB or RFP</li> <li>Proposal scoring grids including who participated in the scoring</li> <li>Proposal and contract of winning bidder</li> </ul>



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## **Purchasing Policy for use with state and federal funds**

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Price obtained from reputable company websites or catalogues may be considered verbal quotations. Documentation of the quotes should be maintained with the Purchase Order

Solicitations for goods and services (requests for proposals or RFPs) should provide for all of the following:

- A clear and accurate description of the technical requirements for the material, product or service to be procured. Descriptions shall not contain features which unduly restrict competition.
- Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals (see the next section entitled "Evaluation of Alternative Vendors" for required criteria)
- Technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
- The specific features of "brand name or equal" descriptions that bidders are required to meet when appropriate.
- The acceptance, to the extent practical, of products and services dimensioned in the metric system of measurement.
- Preference, to the extent practical, for products and services that conserve natural resources and protect the environment and are energy efficient.
- Preference for recycled products pursuant to EPA guidelines
- A description of the format, if any, in which proposals must be submitted, including the name of the person to whom proposals should be sent.
- The date by which proposals are due.
- Required delivery or performance dates/schedules.
- Clear indications of the quantity(ies) requested and unit(s) of measure.

### **Extensions of Due Dates and Receipt of Late Proposals**



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## **Purchasing Policy for use with state and federal funds**

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Solicitations should provide for sufficient time to permit the preparation and submission of offers before the specified due date.

Vendor proposals are considered late if received after the due date and time specified in the solicitation. Late proposals shall be so marked on the outside of the envelope and retained, unopened, in the procurement folder. Vendors that submit late proposals shall be sent a letter notifying them that their proposal was late and could not be considered for award.

### **Evaluation of Alternative Vendors**

Vendors shall be evaluated on a weighted scale that considers the following criteria:

- 1) Adequacy of the proposed methodology
- 2) Skill and experience of key personnel
- 3) Demonstrated experience
- 4) Other technical specifications designated by department requesting proposals
- 5) Compliance with administrative requirements of the request for proposal (format, due date, etc.)
- 6) Vendor's financial stability
- 7) Vendor's demonstrated commitment to the nonprofit sector
- 8) Results of communications with references supplied by vendor
- 9) Ability/commitment to meeting time deadlines
- 10) Cost
- 11) Minority or women-owned business status of vendor
- 12) Other criteria (to be specified by department requesting proposal)

Not all of the preceding criteria may apply in each purchasing scenario. However, the department responsible for the purchase shall establish the relative importance of the appropriate criteria prior to requesting proposals and shall evaluate each proposal on the basis of the criteria and weighting that have been determined.

After a vendor has been selected and approved by the Department Director, the final selection shall be approved by the Chief Executive Officer prior to entering into a contract.

### **Affirmative Consideration of Minority, Small Business & Women-Owned Businesses**

Positive efforts shall be made by Early Learning Coalition of Hillsborough County to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. Therefore, the following steps shall be taken:





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## **Purchasing Policy for use with state and federal funds**

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- 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.

### **Requirements for Professional Services [2 CFR part 200.459]**

To help determine allowability of these costs, Coalition files will document -

- 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 (instead of other Entity revenues);
- 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)**

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## **Purchasing Policy for use with state and federal funds**

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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.

*\*Item represents a minimum documentation requirement in state purchasing rules*

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.
3. Procurement files include all of the following items:
  - a. Public notice
  - b. Copy of RFP
    - i. Technical Requirements
    - ii. Statement of Work
    - iii. Cost Requirements
    - iv. Evaluation Criteria
  - c. Proposals Submitted



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## **Purchasing Policy for use with state and federal funds**

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- d. Evaluation of Proposals
- e. Board Approval of Contracts (as applicable)
- f. Contract Negotiations (*if different than proposed price*)
- g. Award of contract to lowest bidder who met the technical requirements/specifications.

### **Additional Federal Considerations [2 CFR Part 200.326; 2 CFR Part 200 Appendix II]**

For transactions funded by federal programs, additional disclosures are required regardless of scoped/services.

- a. Debarment and suspension provision(s).
- b. Equal Employment Opportunity provision.
- c. Other/additional terms may also apply based on scoped goods/services.

### **Contracts Administration and Management**

Once a contract has been executed it enters the last phase of the contract management system. During this phase of contract management, day to day activities are managed by the assigned contract manager. Overall performance results are documented and monitoring tasks are also performed. Adequate documentation of goods/services procured, goods/services received, payments made and compliance with federal and state grant program rules is required. The file forms/processes listed here represent minimum contracts administration/management documentation requirements for Coalition contract agreements.

1. Formal contract documents [*45 CFR § 75.327(a); 45 CFR § 75.329; and 45 CFR § 92.36 and s. 287.057(15), F.S.*]
  - a. Original executed (signed) contract
  - b. Contractor name
  - c. Contract amount
  - d. Subcontracts, memorandums of agreement, if applicable
  - e. Amendments
  - f. Renewals
  - g. Bonds
  - h. Insurance
  - i. Funding source(s)
  - j. Contract relationship [Ch. 69I-5.006, FAC and 45 CFR Part 75.351]
  - k. Provider's justification of need for advance, if applicable
  - l. Scoped reporting requirements (evaluation reports, performance measures, etc.)
2. Day-to-day management documents [*s. 287.057(15), F.S.; DFS FCCM Manual; OA-1, FAC; 45 CFR Part 75.327(a); 45 CFR Part 75.329*]



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## Purchasing Policy for use with state and federal funds

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- a. Performance documentation
  - b. Correspondence
  - c. Payment documentation
  - d. Deliverables
  - e. Subcontractor approvals
  - f. Status of reporting requirements
  - g. Contract monitoring
    - i. SR/VPK provider contracts – *see separate sections of SR Plan for more information*
    - ii. Vendors/contractors
    - iii. Subrecipients
3. Formal monitoring process [*CFOM No. 06 (2011-12), Contract Monitoring and Documenting Contract Performance*]
- a. Risk Assessment
  - b. Monitoring Plan
  - c. Monitoring Procedures and Criteria
  - d. Evidence to support conclusions reached during its monitoring process
  - e. Corrective Action Plan (if required)
  - f. Follow-up on Corrective Action (if required)
4. Other related contracts administration activities
- a. Subrecipient contracts and sub-awards
    - i. Risk assessments – planning and monitoring phases
    - ii. Additional disclosures and special conditions
  - b. Contracts Closeout
  - c. Problems with Vendor/Contractor Performance
  - d. Contract Termination
  - e. Prior approval documentation requirements
  - f. Conflict of Interest disclosures (if applicable)
    - i. Coalition governing board members
    - ii. Coalition employees
    - iii. Relative(s) of either group as defined in statute
    - iv. Organizational conflicts

**Contract Administrator and Manager Responsibilities** – s. 215.971, F.S.

For each contract funded by federal or state financial assistance, the Coalition shall designate an employee to function as a contract manager. The contract manager shall be responsible for enforcing



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performance of the contract's terms and conditions and shall serve as a liaison to the contractor(s). Separate duties for contract administrator have also been identified as listed.

1. Administrator
  - a. Create and maintain a contract file
  - b. Maintain financial information on all contracts
  - c. Manage changes to contract(s)
  - d. Serve as liaison between the contract/contract manager and the entity and OEL
  - e. Provide clear, explicit and documented communication.
2. Manager
  - a. Manage the receipt of goods/services
  - b. Monitor and evaluate provider performance and end user satisfaction
  - c. Serve as liaison with the provider/contractor
  - d. Maintain a contract management file pursuant to CFO Memo No. 06 (2011-12)
  - e. Provide written certification that goods were received / services were obtained per terms and conditions before making payment.
  - f. Prepare cost reconciliation files.
  - g. Prepare a final reconciliation report

### **Contract Administration**

The Coalition is required to have policies and procedures on contract administration (*2 CFR Part 200.318(b)*). Therefore, all contract managers will adhere to the following procedures.

1. Contract administration files shall be maintained:
  - a. For each contract greater than \$5,000 a separate file shall be maintained.
  - b. For contracts less than \$5,000, contract records may be combined in a single file by grant or other funding source.
2. Contract administration files shall contain:
  - a. The required documentation specified in the authorizations and purchasing limits table for the original scope of work and for all amendments.
  - b. Where the contract work is identified in the grant award or budget, the identification and scope of the work contained in the award or budget, and all approved changes.
3. Authorization of work:
  - a. No work shall be authorized until the contract for the work has been approved and fully executed.

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- b. No change in the work shall be authorized until an amendment to the contract for the work has been approved and fully executed, except as permitted for Special Purchasing Conditions.
- c. No amendment of a contract for work shall be executed until it has been approved and authorized as required in the Authorizations and Purchasing Limits table and, where required by the terms of the grant award or budget, approval by the funding source.
4. Conformance of work:
  - a. For each grant award, based on the applicable laws, regulations and grant provisions, the designated contract manager shall establish and maintain a system to reasonably assure contractor:
    - i. Conformance with the terms, conditions, and specifications of the contract, and
    - ii. Timely follow-up of all purchases to assure such conformance and adequate documentation.
5. The designated contract manager will authorize payment of invoices to contracts after final approval of work products.

### **Vendor Files and Required Documentation**

The Finance Department shall maintain vendor documentation for each new vendor from whom the Coalition purchases goods or services. See Accounts Payable Policy and Procedure.

### **Procurement files - required retention instructions [2 CFR Parts 200.333 - .336]**

See too Record Retention in this manual.

1. All records must be maintained for five (5) years after the impacted program year, if "closed."
2. Records retention schedules apply regardless of the physical format of Coalition's 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.

The Coalition 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/>

### **Procurement files - requirements for bid and competitive proposals [45 CFR Part 75.329]**

Verify procurement files include all of the following items.

- Public notice
- Copy of RFP



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- 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

### **Procurement files - requirements for small purchases** [45 CFR Part 92.36(f); 45 CFR Part 75.439(b)(2); 45 CFR Part 75.302(b)(3)]

Verify files include all of the following items.

- Prior approval for equipment purchases in excess of the lesser of (1) \$5,000 or (2) the entity's approved capitalization threshold
- Documentation of small purchase transactions by one or more of the following items.
  - a. Sales receipt
  - b. Current catalogs
  - c. Formal quote
- Files indicate the entity obtained price or rate quotations from an adequate number of qualified sources.
  - a. Review documentation of written or telephone quotes
  - b. Determine if documentation is adequate and the number of quotes obtained is sufficient in accordance with entity policies and procedures

### **Provisions Included in All Contracts**

Early Learning Coalition of Hillsborough County includes the following provisions, as applicable, in all contracts charged to federal awards (including small purchases) with vendors and subgrants to grantees:

- 1) **Equal Employment Opportunity:** All contracts shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended 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



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subgrants in excess of \$2,000 for construction or repair awarded by Early Learning Coalition of Hillsborough County and its subrecipients 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 Financed in Whole or in Part by Loans or Grants from the United States." This Act provides that each contractor or subrecipient 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. Early Learning Coalition of Hillsborough County will report all suspected or reported violations to the Federal awarding agency.

3) **Davis-Bacon Act, as amended (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 Early Learning Coalition of Hillsborough County and its subrecipients 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 Financed 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. Early Learning Coalition of Hillsborough County will 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. Early Learning Coalition of Hillsborough County shall also obtain reports from contractors on a weekly basis in order to monitor compliance with the Davis-Bacon Act. Early Learning Coalition of Hillsborough County 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 Early Learning Coalition of Hillsborough County 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



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articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

- 5) **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 amended:** Contracts and subgrants 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 amended (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).
- 6) **Byrd Anti-Lobbying Amendment (31 U.S.C. 1352):** For all contracts or subgrants of \$100,000 or more, Early Learning Coalition of Hillsborough County shall obtain from the contractor or subgrantee 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, Early Learning Coalition of Hillsborough County shall provide such certifications in all situations in which it acts as a subrecipient of a subgrant of \$100,000 or more.
- 7) **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) (\$100,000 in 2005), Early Learning Coalition of Hillsborough County 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*.
- 8) **Remedies:** All contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (\$100,000 in 2005) 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.
- 9) **Termination:** All contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (\$100,000 in 2005) shall contain suitable provisions for termination by the Early Learning Coalition of Hillsborough County, 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.



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### **Special Purchasing Conditions**

[45 CFR Parts 75.329(f) and 75.332; s. 216.3475, F.S.]

#### *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:*

Sole source purchases will be made only when solicitation of multiple vendors is not feasible and three of the following conditions apply:

- No other manufacturer/vendor can market a like or comparable product
- It is the only item(goods or services) that will produce the desired results (or fulfill the specific need)
- The item(goods or services) is available from only one source of supply
- The item or service is only available from one source within 100 miles of the agency,
- The situation is a public emergency,
- Competition is deemed inadequate (insufficient bidders), or
- In the case of a grant, the awarding agency approves the purchase.
- 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

### **Vendor Files and Required Documentation -**

The Accountant shall create a vendor folder for each new vendor from whom Early Learning Coalition of Hillsborough County purchases goods or services.

The Accountant shall transmit a blank Form W-9 to new vendors and request that the vendor complete and sign the W-9 (or provide equivalent, substitute information) and return it in the postage-paid envelope provided. Completed, signed Forms W-9 or substitute documentation shall be filed in each vendor's folder. No payment shall be made to vendors who do not comply with this request.

### **Receipt and Acceptance of Goods**

A designated individual shall inspect all goods received. Upon receipt of any item from a vendor, the following actions shall immediately be taken:

- Review bill of lading for correct delivery point

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- Verify the quantity of boxes/containers with the bill of lading
- Examine boxes/containers for exterior damage and note on the bill of lading any discrepancies (missing or damaged boxes/containers, etc.)
- Sign and date the bill of lading
- Remove the packing slip from each box/container
- Compare the description and quantity of goods per the purchase order to the packing slip
- Examine goods for physical damage
- Count or weigh items, if appropriate, and record the counts on the purchase order

This inspection must be performed in a timely manner to facilitate prompt return of goods and/or communication with vendors.

After an order has been placed and goods or services have been received, the authorization for payment is initiated entering receiving information into the automated purchase order system with a receipt data and the quantity of each item that was received. The automated purchase order system automatically sends the received Purchase Order to the accounts payable clerk at the time that goods or services are received.

### **CONFLICTS OF INTEREST**

#### **Introduction**

In the course of business, situations may arise in which a Coalition decision maker has a conflict of interest, or in which the process of making a decision may create an appearance of a conflict of interest.

All directors and employees have an obligation to:

1. Avoid conflicts of interest, or the appearance of conflicts, between their personal interests and those of the Coalition in dealing with outside entities or individuals,
2. Disclose real and apparent conflicts of interest to the Board of Directors, and
3. Refrain from participation in any decisions on matters that involve a real conflict of interest or the appearance of a conflict.

#### **What Constitutes a Conflict of Interest**

Conflicts of interest arise when for any transaction the benefits of an interested party may be seen as competing with those of the Coalition. Such conflicts of interest –

Conflict of Interest – A Conflict of Interest exists if a Coalition employee, officer or board member, or a relative (as defined below) or business associate of the employee, officer, or board member, may derive a special private gain or loss, directly or indirectly, by reason of his or her participation in a matter with the Coalition.



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1) Relative - means any father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, or daughter-in-law. (Fla. Stat. 112.3143).

2) "Business associate" means any person or entity engaged in or carrying on a business enterprise with the Coalition employee, officer, or board member, or employee in a partnership, joint venture, corporate shareholder where the shares of such corporation are not listed on any national or regional stock exchange, or co-owner of property.

All employees and directors of Early Learning Coalition of Hillsborough County, Inc. owe a duty of loyalty to the Coalition. This duty necessitates that in serving the Coalition they act solely in the interests of the Coalition, not in their personal interests or in the interests of others.

The persons covered under this policy shall hereinafter be referred to as "interested persons." Interested persons include all members of the Board of Directors and all employees, as well as persons with the following relationships to directors or employees:

1. Spouses or domestic partners
2. Brothers and sisters
3. Parents, children, grandchildren, and great-grandchildren
4. Spouses of individuals listed in 2 and 3
5. Children of individuals listed in 2
6. Corporations, partnerships, limited liability companies (LLCs), and other forms of businesses in which an employee or director, either individually or in combination with individuals listed in 1, 2, 3, or 4, collectively possess a 35% or more ownership or beneficial interest (based on the IRS definition of disqualified persons in the Internal Revenue Code (IRC) section 4958.)
7. Other relationships such as close friendships may also cause a conflict of interest. These will be evaluated on a case-by-case situation.

Conflicts of interest arise when the interests of an interested party may be seen as competing with those of the Coalition. Conflicts of interest may be financial (where an interested party benefits financially directly or indirectly) or non-financial (e.g., seeking preferential treatment, using confidential information).

- Include actual conflicts (where a real act, event or transaction has occurred), potential conflicts (e.g., when an employee or his/her immediate family member(s) may receive benefits or profit directly or indirectly), and perceived conflicts (e.g., where the nature and circumstances of the event or transaction would lead a prudent person to believe a conflict exists or may exist).

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Include organizational conflicts of interest that occur because of relationships with a parent, affiliate or subsidiary organization.

A conflict of interest arises when a director or employee involved in making a decision is in the position to benefit, directly or indirectly, from his or her dealings with the Coalition or person conducting business with the Coalition. (A potential conflict of interest exists when the director or employee, or his or her immediate family {spouse, parent, child, brother, sister and spouse of parent, child, brother, or sister} owes/receives more than 1% of the benefiting business/profits.)

Examples of conflicts of interest include, but are not limited to, situations in which a director or employee:

1. Negotiates or approves a contract, purchase, or lease on behalf of the Coalition and has a direct or indirect interest in, or receives personal benefit from, the entity or individual providing the goods or services.
2. Negotiates or approves a contract, sale, or lease on behalf of the Coalition and has a direct or indirect interest in, or receives personal benefit from, the entity or individual receiving the goods or services.
3. Employs or approves the employment of, or supervises a person who is an immediate family member of the director or employee.
4. Sells products or services in competition with the Coalition.
5. Uses the Coalition's facilities, other assets, employees, or other resources for personal gain.
6. Receives a substantial gift from a vendor, if the director or employee is responsible for initiating or approving purchases from that vendor.

### **Honoraria Acceptance**

An Early Learning Coalition of Hillsborough County employee shall not accept an honorarium for an activity conducted where agency-reimbursed travel, work time, or resources are used or where the activity can be construed as having a relationship to the employee's position with the Coalition; such activity would be considered official duty on behalf of the Coalition. A relationship exists between the activity and the employee's position with the Coalition if the employee would not participate in the activity in the same manner or capacity if they did not hold their position with the Coalition. The employee should make every attempt to avoid the appearance of impropriety.

An employee may receive an honorarium for activities performed during regular non-working hours or while on annual leave if the following conditions are met:

- All expenses are the total responsibility of the employee or the sponsor of the activity in which the employee is participating.
- The activity has no relationship to the employee's Coalition duties.

Nothing in this policy shall be interpreted as preventing the payment to the Coalition by an outside source for actual expenses incurred by an employee in an activity, or the payment of a fee to the



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Coalition (in lieu of an honorarium to the individual) for the services of the employee. Any such payments made to the Coalition should be deposited to the Coalition account and an appropriate entry should be made coded to the same program or department to which the employee's corresponding time was charged.

### **Disclosure Requirements - Voting Conflicts – section 112.3143(1)(b), F.S.**

A director or employee who believes that he or she may be perceived as having a conflict of interest in a discussion or decision must disclose that conflict to the group making the decision. Most concerns about conflicts of interest may be resolved and appropriately addressed through prompt and complete disclosure.

Therefore, Early Learning Coalition of Hillsborough County requires the following:

1. At the inception of employment or volunteer service to the Coalition, and on an annual basis thereafter, the accounting department shall distribute a list of all contractors and vendors with whom the Coalition has transacted business at any time during the preceding year, along with a copy of the disclosure statement to all members of the Board of Directors, the Chief Executive Officer, members of senior management, and employees with purchasing and/or hiring responsibilities or authority. Using the prescribed form, these individuals shall inform, in writing and with a signature, the Chief Executive Officer and the chair of the Finance Committee, of all potential reportable conflicts.
2. During the year, these individuals shall submit a signed, updated disclosure form if any new potential conflict arises.
3. The Chief Executive Officer shall review all forms completed by employees, and the Finance Committee shall review all forms completed by directors and the Chief Executive Officer and determine appropriate resolution in accordance with the next section of this policy.
4. Prior to management, board, or committee action on a contract or transaction involving a conflict of interest, a staff, director, or committee member having a conflict of interest and who is in attendance at the meeting shall disclose all facts material to the conflict of interest. Such disclosure shall be reflected in the minutes of the meeting.
5. A staff, director, or committee member who plans not to attend a meeting at which he or she has a reason to believe that the management, board, or committee will act on a matter in which the person has a conflict of interest shall disclose to the chair of the meeting all facts material to the conflict of interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
6. A person who has a conflict of interest shall not participate in or be permitted to hear management's, the board's, or the committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter.
7. A person who has a conflict of interest with respect to a contract or transaction that will be voted on at a meeting shall not be counted in determining a quorum for purposes of the vote. The person having a conflict of interest may not vote on the contract or transaction and shall

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not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote and abstention from voting shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Directors of the Coalition has a conflict of interest when he or she stands for election as an officer or for re-election as a member of the Board of Directors.

8. If required by Federal awarding agencies, the Coalition will notify those agencies in writing of any *potential* conflict of interest. (2 CFR Part 200.112, *Conflict of interest*)
9. The Coalition will provide additional training as needed, and will document annual training processes completed by board members and staff.

When a conflict is identified, the approval for services will need to be approved by a two thirds vote of the entire board. Anyone with a conflict must provide notice to the governing board in advance in writing and abstain from any vote in which they have a conflict of interest. Such member shall, prior to the vote being taken, publicly state to the board the nature of the member's interest in the matter from which he or she is abstaining from voting. Within 15 days after the vote occurs, disclose the nature of his or her interest by using Form 8B included below, as a public record in a memorandum filed with the individual responsible for recording the minutes of the meeting, who shall incorporate the memorandum in the minutes. (Fla. Stat. 112.3143).

Any related party contracts that are approved by the board will disclosed in writing to the Office of Early Learning along with the minutes of the approval and Form 8B. If the contract is above \$25,000 it will need prior approval from the Office of Early Learning before the contract/transaction is executed. (Fla. Stat. 1002.84(20), & 2 CFR Part 200.112).

### **Resolution of Conflicts of Interest**

All real or apparent conflicts of interest shall be disclosed to the Finance Committee and the Chief Executive Officer of the Coalition. Conflicts shall be resolved as follows:

- The Finance Committee shall be responsible for making all decisions concerning resolutions of conflicts involving directors, the Chief Executive Officer, and other members of senior management.
- The chair of the committee shall be responsible for making all decisions concerning resolutions of conflicts involving Finance Committee members.
- The chair of the Board shall be responsible for making all decisions concerning resolutions of the conflict involving the chair of the Finance Committee.
- The Chief Executive Officer shall be responsible for making all decisions concerning resolutions of conflicts involving employees below the senior management level, subject to the approval of the Finance Committee.

An employee or director may appeal the decision that a conflict (or appearance of conflict) exists as follows:

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- An appeal must be directed to the chair of the board.
- Appeals must be made within 30 days of the initial determination.
- Resolution of the appeal shall be made by vote of the full Board of Directors.
- Board members who are the subject of the appeal, or who have a conflict of interest with respect to the subject of the appeal, shall abstain from participating in, discussing, or voting on the resolution, unless their discussion is requested by the remaining members of the board.

### **Disciplinary Action for Violations of This Policy**

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 Coalition 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 or 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 director, 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.

For more details, staff and board members may also access the following guidance materials

- For more details on the Entity's Conflict of Interest policy, please refer to the Employee Manual/Handbook.
- For more details on requirements for Related Party activities and Voting Conflicts, please refer to Procurement/Purchasing policies.
- 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*.





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## Disbursement Policy for use with state and Federal funds

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### Overview

Early Learning Coalition of Hillsborough County strives to maintain efficient business practices and good cost control. A well-managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and check reconciliation. The following are general policies for accounts payable:

- Assets or expenses and the related liability are recorded by an individual who is not responsible for ordering and receiving.
- The amounts recorded are based on the vendor invoice for the related goods or services.
- The vendor invoice should be supported by an approved purchase order where necessary, and should be reviewed and approved by the appropriate person per the 'Purchase Order Procedure' prior to being processed for payment.
- Invoices and related general ledger account distribution codes are reviewed prior to posting to the accounting software.

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

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

The Early Learning Coalition of Hillsborough County policies and procedures will comply with the following federal/state laws, regulations, statutes and rules.

- 60A-1.016 F.A.C., Contract and Purchase Order Requirements.
- 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
- DFS State Travel Manual
  - 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

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- CFO Memo No. 06 (2011-12), Contract Monitoring and Documenting Contractor Performance
- PUR 1000 and 1001
- 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 annual grant agreement Exhibit I for specified prohibited costs
- 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

### **Recording of Accounts Payable**

All valid accounts payable transactions, properly supported with the required documentation, shall be recorded as accounts payable in a timely manner.

Accounts payable are processed on a biweekly basis. Information is entered into the system from approved invoices or disbursement vouchers with appropriate documentation attached.

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.

### **Accounts Payable Cut-Off**

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 business 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.



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## Disbursement Policy for use with state and Federal funds

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### **Establishment of Control Devices**

#### **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 ELCHC's 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) ELCHC will receive deliverables 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 and conditions must be specified and must accompany the request for payment to evidence delivery of goods/services. \*If it isn't documented, it didn't happen.
- 2) ELCHC must ensure that deliverables were received on time and as intended (i.e., met performance measures) before release of payment is approved/processed. \*
  - a. May use a Contract Summary Form
  - b. May use a written certification from the assigned contract manager on the invoice
  - c. May use a Deliverable Tracker – track deliverables schedule
- 3) The ELCHC will ensure invoices have adequate documentation and are processed on a timely basis.
  - a. Documents for goods/services received are date stamped.

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- 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 ELCHC policy.
  - f. Certify the ELCHC'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.
- 4) Enforce terms and conditions [**s. 287.057(14)(b), F.S.; DFS-related contract manager guidance**]
- a. ELCHC staff assigned contract/grant management duties 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.
- 5) For disputes about receipt of goods/services [**s. 215.422(8), F.S., Payments...disputes**]
- a. ELCHC may pursue the following remedies for disputes:
    - 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.

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- 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 ELCHC 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.

### **Payment Discounts**

To the extent practical, Early Learning Coalition of Hillsborough County takes advantage of all prompt payment discounts offered by vendors. When such discounts are available, and all required documentation in support of payment is available, payments will be scheduled so as to take full advantage of the discounts.

### **Employee Expense Reports**

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 (see further policies under "Travel and Business Entertainment"). All required 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 for payment in the next vendor payment cycle if received within two business days of the deadline. Travel and expense reimbursement must be submitted within 30 days of the event.

### **Reconciliation of A/P Subsidiary Ledger to General Ledger**

At the end of each monthly accounting period, ELCHC Accounting personnel reconciles the total amount due to vendors per the accounts payable subsidiary ledger to the total per the accounts payable general ledger account (control account). All differences are investigated and adjustments are made as necessary. The reconciliation and the results of the investigation of differences are reviewed by the ELCHC Chief Financial Officer.

Also on a monthly basis, the accounting specialist performs the following procedures:

- Checks all statements received for unprocessed invoices.

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- Checks the purchase order file for open purchase orders more than 60 days old and follow up.

### **Management of Accounts Payable Vendor Master File**

Upon the receipt of an invoice from a new vendor that is not already in Accounts Payable Vendor Master File, the ELCHC shall mail (or email) a Form W-9 and a request for completion of the Form W-9, including the vendor's full address and Federal employer identification number. The Coalition's Vendor Master File is maintained by the Accounting Department of the ELCHC. Therefore for all vendors to be paid during a fiscal year, the vendor file shall include all of the following data:

- Vendor's legal name and any DBA name(s)
- Street address (payments may be mailed to a P.O. Box, but a street address must be in the file)
- Federal employer identification number
- Telephone number
- Contact name
- Bank information (Routing numbers, bank name, etc.)

Payments will not be made to any vendor whose file does not comply with the preceding requirements.

### **MIP ACCOUNTS PAYABLE INTERNAL CONTROL**

To satisfy internal control requirements in MIP Payables, the following procedures have been established by ELCHC in regard to vendor setup, invoice entry, and payment production.

- 1) Vendor Setup
  - a. The Accountant does all vendor setup.
- 2) Invoice Entry
  - a. Invoices will be entered by the Accountant.
- 3) Each enterer will establish a unique MIP password which they will never divulge to anyone else.
- 4) In order to prevent the unauthorized entry of an invoice by one individual on the PC of another individual, everyone with invoice entry security must log off of MIP whenever they will be away from their desk for a lengthy amount of time. This includes:



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- a. Lunch time
  - b. Doctor\dentist appointments
  - c. Training sessions and other meetings
  - d. No individual should operate the computer of another individual with invoice entry security while that computer is logged on to MIP unless that other individual is present.
  - e. Non-AP personnel sitting at the computers of individuals with invoice entry security should be considered highly suspicious and must be supervised if they have a legitimate reason to be there.
- 5) Payment Entry  
Checks are only printed by the Chief Financial Officer or Finance Manager.
- 6) Payment Batches  
Only accounting has the security to initiate payment batches. Therefore valid checks with the two signatures cannot be obtained without coordination with the CFO or Finance Manager. Checks will not be distributed until the online activity reports are checked for all invoices entered prior to the initiation of the payment batch. On the day that checks are printed, a cash requirements current day must be run immediately after the payment batch is built.
- 6) Adding/Changing Account Numbers  
Accounting distribution segments are shared by all funds. Individual segments are set up on one screen while accounting distribution combinations are set up on another screen. Both segments and combinations can be made active or inactive as needed. If a project is to be shared by two or more departments, costs are distributed accordingly to each participating department associated with the project and the department project budget. Additional account segments can easily be added to existing department projects and segment titles can be modified as needed. The CFO or Finance Manager within the Finance Department does the setup and maintenance of account codes for the Chart of Account.
- 7) Reports  
The General Ledger comes with a variety of delivered reports which are run and viewed in the GL module. Reports can be printed on the screen, downloaded to Excel and Word, or downloaded as PDF (Portable Document Format) files which use Adobe Acrobat to view the file. Within this group of reports, it is possible to easily run Trial Balance, Available Funds and Posted Transaction reports for any time periods desired. At the present only the finance department staff can use MIP reports.



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8) Security Groups

Account security for all modules is set up and controlled in the MIP Administration. Individual operators can be assigned to security groups. Each security group has only the segments assigned to it for which it is responsible. Accounting distribution security can be changed as needed. MIS is in the process of setting up these groups.

### **PAYMENT TO VENDORS**

**Invoices** - Payments are initiated by invoices sent directly to the Early Learning Coalition. Invoices are matched to the appropriate purchase order. Once reviewed and approved by the appropriate ELCHC staff, the invoices are submitted to the Finance department for payment. The invoice number is entered into the accounting system as a reference number.

**Other Forms of Backup** - some types of payment are initiated by transactions that do not generate an invoice. For these types of payments there are several other types of documents that can be used to initiate a payment. For contractual employees a time sheet showing dates and hours worked is sufficient.

**Cash Payments** - The Early Learning Coalition makes no cash payments.

**Invoice Matching Procedure** - Invoices are matched to the appropriate receiving reports and checked for mathematical accuracy. A checklist of procedures to be followed is as follows:

- 1) Invoice
  - a. Determine that invoice is original and proper
  - b. Stamp date received
  - c. Check extensions and additions
    1. Check all manually prepared invoices
    2. Check all invoices
- 2) Match invoice to purchase order
  - a. Make certain that the invoice and PO match
  - b. Staple invoice to back of PO.
- 3) Submit invoice to accounts payable for processing and payment



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### **CASH DISBURSEMENTS (CHECK-WRITING)**

#### **Check Preparation**

The Early Learning Coalition of Hillsborough County prints vendor checks, and expense reimbursement checks on a biweekly basis. Checks are prepared by persons independent of those who initiate or approve expenditures, as well as those who are authorized check signers.

All vendor, provider, and expense reimbursement checks are produced in accordance with the following guidelines:

- Expenditures must be supported in conformity with purchasing, accounts payable, and travel and business entertainment policies described in this manual.
- Timing of disbursements should generally be made to take advantage of all early-payment discounts.
- Generally, all vendors shall be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services.
- 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.
- All supporting documentation is attached to the corresponding check prior to forwarding the entire package to an authorized check signer.
- Checks shall be utilized in numerical order and unused checks are stored in a locked file.
- Checks shall never be made payable to "bearer" or "cash."
- Checks shall never be signed prior to being prepared.
- Upon the preparation of a check, vendor invoices and other supporting documentation shall immediately be canceled in order to prevent subsequent reuse.

#### **Check Signing**

It is the policy of ELCHC that members of the Board of Directors will be the only authorized signatures on agency checks. Check signing authority will vest with the Chairperson of the Board and the Board Treasurer or Board Secretary.

Any equipment used to sign checks (plates, stamps, CD, etc.) will be kept in a locked file. Access to the equipment shall be restricted to the ELCHC Chief Financial Officer and the Finance Manager. The Chief Financial Officer or Finance Manager will review check run and supporting documentation.



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### **Use of Positive Pay System**

The Early Learning Coalition of Hillsborough County utilizes a “Positive Pay” system with its financial institution for all checks drawn on the disbursing account. With this system, the accounting department electronically communicates to the financial institution a list of check numbers, amounts, and vendors in connection with each check run. The financial institution shall then notify the accounting department if any check is presented for payment that does not match the three characteristics for valid checks.

### **Mailing of Checks**

After signature, checks are returned to the individual who prepared them, who then gives the checks to the Accounting Specialist. Checks shall not be mailed by or returned to individuals who authorize expenditures.

### **Preparing EFTs**

All vendors are encouraged to have their payments direct deposited into their bank accounts. Vendor bank information is maintained by the Accounting Department of the Early Learning Coalition of Hillsborough County per their security policies.

### **Voided Checks and Stop Payments**

Checks may be voided due to processing errors by making proper notations in the check register and defacing the check by clearly marking it as “VOID.” All voided checks shall be retained to aid in preparation of bank reconciliations.

### **Recordkeeping Associated with Independent Contractors**

Early Learning Coalition of Hillsborough County shall obtain a completed Form W-9 or equivalent substitute documentation from all vendors to whom payments are made. A record shall be maintained by the ELCHC of all vendors to whom a Form 1099 is required to be issued at year end. Payments to such vendors shall be accumulated over the course of a calendar year.

### **Checks**

They are printed on three part blank check stock on the laser printer in the Finance Department. The check numbers are assigned and printed by MIP Accounts Payable. The signatures automatically print on the checks. The Finance Department’s printer is the only one that prints the



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## **Disbursement Policy for use with state and Federal funds**

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checks and EFT vouchers. Only the Chief Financial Officer or the Finance Manager has the security to initiate payments.

Occasionally checks need to be canceled for various reasons. When this happens the check is canceled by Accounts Payable in MIP. The invoice may or may not be canceled depending on the reason for canceling the check. Accounts Payable is also responsible for initiating stop payments on checks whenever necessary.

### **Stop Payment Policy**

A Stop Payment will be placed on any check considered lost or stolen.

### **Out-of-Cycle Checks**

Accounting is responsible for writing out-of-cycle checks. The requirement for obtaining an out-of-cycle check is that all reasonable requests are granted. The backup paperwork for an out-of-cycle check must meet all of the previously mentioned criteria for a computer generated check.

**Direct Deposits** - Some invoices are required by contract to be direct deposited to their vendor's bank accounts (EFTs) instead of having checks written. The invoice is then paid as an EFT and an EFT file is created and sent to the bank.

### **1099 REPORTING**

The ELCHC accounting system will accumulate and report the 1099 income required by the Internal Revenue Service. The 1099 codes are established at the vendor level and overridden at the invoice level if necessary. Corrections to invoice 1099 codes are made with zero invoices and payments. One line is entered with the incorrect code and a credit amount and the second line is entered with the correct code and a debit amount.

1099 statements are mailed to 1099 vendors in January. The 1099 information is mailed to the IRS in February.

### **CREDIT CARDS**

#### **Issuance of Corporate Credit Cards**

Early Learning Coalition of Hillsborough County employees who travel frequently on Organization business may request a corporate credit card by contacting the CFO. Upon approval from the credit card company, a card will be issued bearing the names of both the individual and Early Learning Coalition of Hillsborough County.

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## **Disbursement Policy for use with state and Federal funds**

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The processes listed here will be followed.

- 1) Minimum required credit card policy disclosures/processes
  - a. Management has a process to issue purchase/credit cards and to periodically review list of users to ensure the cards are issued to appropriate staff members.
  - b. Management has a process to ensure card users receive notice of usage guidelines. Includes safeguarding of issued cards, card holder duties, tips to avoid identity theft, and prohibited purchases/activities.
  - c. Purchasing cards are not used to circumvent compliance with normal requisitioning transactions.
  - d. Staff prepares reconciliations and maintains adequate supporting records for disbursements made by credit card.
  - e. Management periodically reviews purchase activities 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. All purchases made by supervisors require pre-approval from the CFO or CPO or department heads. All purchases are subsequently reviewed by the accounting specialist and the Finance Manager.
  - g. A purchase order is prepared for every credit card transaction and subsequently submitted for approval as part of the standard approval process.
  - h. The monthly credit card statement is reviewed by the accounting specialist and accountant I to ensure a purchase order has been prepared and submitted for approval for each transaction on the statement.
  - i. Management has a process to document instances of card misuse by staff and issue notice of personnel actions taken/required (See employee handbook for disciplinary procedures).
  
- 2) Minimum recommended credit card policy elements/staff instructions.
  - a. Entity processes to safeguard purchase card/credit cards when not in use.
  - b. Authorized spending levels/delegation of authority.
  - c. Supporting documentation requirements [source: *DFS Reference Guide for State Expenditures*]
    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,

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## **Disbursement Policy for use with state and Federal funds**

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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.
- 3) 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.

### **Cardholder Responsibilities**

Every month, each cardholder will be provided with a statement detailing the expenditures that were charged to his/her corporate credit card. The cardholder will review this statement for any inadvertent personal or unauthorized uses of the card. Cardholders must reimburse the Organization for any such inadvertent personal charges.

ELCHC staff are subject to the credit card policies. ELCHC policies personal use of corporate credit cards is strictly prohibited. Any personal use will subject the staff to the ELCHC's disciplinary actions. Any fraudulent or other unauthorized charges shall be immediately pointed out to the Chief Financial Officer for further investigation with the credit card provider.

Documentation of travel and valid business expenditures shall include all of the same elements as described in the "Staff Travel policy" (i.e., names of people involved, business purpose, etc.).

Early Learning Coalition of Hillsborough County requires the following review and approval procedures:

- 1) Supervisor signatures indicate that the purchases are approved, that each cardholder was authorized to make the purchases, and that the purchases were made in accordance with Early Learning Coalition of Hillsborough County policies.



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## **Disbursement Policy for use with state and Federal funds**

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Cardholders shall report the loss or theft of a corporate credit card immediately by notifying the credit card company as well as the CFO.

### **Revocation of Corporate Credit Cards**

Failure to comply with any of these policies associated with the use of Early Learning Coalition of Hillsborough County's corporate credit cards shall be subject to possible revocation of credit card privileges. The Chief Executive Officer shall determine whether credit cards are to be revoked.

### **Employee Personal Credit Cards**

Employees and officers incurring legitimate Organization business expenses who utilize their personal credit cards for such expenditures will be reimbursed for properly supported and documented business expenditures charged to personal credit cards.

## **TRAVEL**

### **C. Travel [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)]**

- 1) Minimum required travel policy disclosures
  - a. Travel expenses will be documented and reimbursed based on applicable state travel rules (includes DFS Reference Guide, State Travel Manual CFO Memos and OEL guidance).
  - b. Management has process in place to ensure proper authorization, review, approval, and guidelines to submit adequate supporting records. Includes blanket travel authorizations (if used), requirement to use state-issued travel authorization, 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. Management has a process to ensure reimbursements do not exceed allowable amounts. Includes detail for allowable mileage reimbursement amounts, meal rates from statutes, travel per diem calculations, and recent travel restrictions to limit allowable daily room rates to \$150 per day per traveler for OEL sponsored events. Also includes processes to ensure only reasonable and necessary business-related costs are incurred.

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## **Disbursement Policy for use with state and Federal funds**

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- d. An independent review and approval process is in place for costs incurred by members of the management team. Out of county travel event requests are processed and reviewed by the Executive Administrator or the Professional Development Liaison before being submitted to the accounting department for review and processing by the accounting specialist. Travel packet is subsequently submitted to the CFO or Finance Manager for final review.
- e. All travel documentation and reimbursement requests are submitted to the accounting specialist for review.
- f. A purchase order is subsequently prepared for all travel expenditures and submitted for approval as part of the standard approval process.
- g. Management has a process to document instances of misuse by staff and issue notice of personnel actions taken/required (See employee handbook) for disciplinary procedures.

### **Employee and Director Business Travel**

The Early Learning Coalition of Hillsborough County requires staff or member of the Board of Directors that has incurred business-related expenses to complete a travel reimbursement form at the conclusion of their business trip. All in accordance with the following policies:

- 1) All travel requisitions for conference travel require the Chief Executive Officer's prior approval.
- 2) Identify each type of business expense.
- 3) With the exception of meals, tolls, reimbursed mileage, and per diems, all business expenses must be supported with invoices/receipts.
- 4) Vendor receipts/invoices must be submitted for all lodging and any expenditure other than meals, mileage and per diem. Credit card charge slips do not represent adequate supporting documentation – a hotel receipt must be obtained to substantiate all lodging expenditures.
- 5) For airfare, airline-issued receipts should be obtained. If a traveler fails to obtain a receipt, other evidence must be submitted indicating that a trip was taken and the amount paid (for example, a combination of an itinerary, a credit card receipt, and boarding passes).
- 6) Mileage may be reimbursed at the standard state rates currently in effect.
- 7) The business purpose of each trip must be adequately explained on each report.
- 8) General ledger account coding must be identified for all expenditures.
- 9) All expense reports must be signed and dated by the employee.
- 10) All expense reports must be approved by the employee's supervisor.
- 11) Only one expense report form should be prepared for each trip.

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## **Disbursement Policy for use with state and Federal funds**

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- 12) If meals and/or mileage are charged to State contracts or grants those expenditures will be reimbursed at the standard State rate in effect at the time of travel.

An employee will not be reimbursed for expense reports not meeting the preceding criteria. If the expense report results in a balance due to Early Learning Coalition of Hillsborough County, the employee must attach a check or sign a statement indicating authorization to settle the balance due through a payroll deduction.

No further travel advances will be issued to any employee who has an outstanding balance due to the Early Learning Coalition of Hillsborough County from previous business trips.

### **Reasonableness of Travel Costs**

Early Learning Coalition of Hillsborough County 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) Ask hotels for any available discounts – nonprofit or corporate rates.
- 3) When utilizing rental cars, travelers should rent midsize or smaller vehicles. Share rental cars whenever possible.
- 4) 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.
- 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.
- 7) Foreign travel charged to Federal grants must be approved in writing by the funding source prior to travel.

### **Special Rules Pertaining to Air Travel**

The following additional rules apply to air travel:

- 1) Air travel should be at coach class or the lowest commercial discount fare at the time the ticket is purchased except when this fare would:
  - a. Require circuitous routing
  - b. Require travel during unreasonable hours
  - c. Excessively prolong travel



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**Disbursement Policy for use with state and Federal funds**

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- d. Result in additional costs that would offset the transportation savings, or
- e. Offer accommodations not reasonably adequate for the traveler's medical needs.
- 2) First class air travel shall not be reimbursed unless there is a documented medical reason, and such use must be documented.
- 3) Memberships in airline flight clubs are not reimbursable.
- 4) Cost of flight insurance is not reimbursable.
- 5) When airfare is \$500 or more, two quotes from a travel agency and/or an airline should be obtained and attached to the expense report.
- 6) 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 extra night lodging, meals & incidentals is less costly than airfare without the Saturday night stay-over).
- 7) Cost of upgrade certificates is not reimbursable.
- 8) 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.).
- 9) 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., Early Learning Coalition of Hillsborough County will not reimburse for the personal legs of a trip).

**Spouse/Partner Travel**

The Early Learning Coalition of Hillsborough County does not 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/director and spouse/partner for purposes of this policy.

**Itemized Travel Expense Statement**

After returning from a trip, an employee is generally required to fill out a travel reimbursement form unless, of course there were no expenses incurred and no travel advance payment paid. No employee is exempt from this requirement regardless of position as this is a requirement of the Early Learning Coalition of Hillsborough County.

Filling out the automated travel reimbursement form is essentially self-explanatory. It should include all costs related to the trip. Receipts are required to back up all claims for reimbursement except for meals, mileage and per diem and should be attached to the form. The meal allowance is intended to cover the actual meal cost plus any tip paid. Business related telephone calls are usually



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## **Disbursement Policy for use with state and Federal funds**

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included on the lodging bill and can be listed in the lodging section. Personal telephone calls are not reimbursable. Registration costs should be listed in the miscellaneous section.

### **Business Disbursement**

General considerations for all expenditures/allowable costs – Phase I Analysis

- 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 agency's award to / agreement with OEL?
  - 5. Is the proposed cost consistent with the grant project performance measures or benchmarks?
  
- 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 OEL for grant awards, contracts, purchase orders and other expenditure agreements?
- 9. Is the proposed cost for the allowed period of availability as defined for the funding program?
- 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

Several additional factors should be considered and documented by staff for cost transactions. The answer for each question listed here must be "yes" in order for staff to continue with the transaction.

- 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



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## Disbursement Policy for use with state and Federal funds

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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

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. Please note 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.

**ACTION**

**ITEM IV.C.**

<b>ISSUE:</b>	<b>Voluntary Prekindergarten (VPK) Contract Enforcement</b>
<b>FISCAL IMPACT:</b>	Not applicable
<b>FUNDING SOURCE:</b>	Not applicable
<b>RECOMMENDED ACTION:</b>	Approve the Service Delivery Committee's Recommended Enforcement Actions

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**NARRATIVE:** The Statewide Voluntary Prekindergarten (VPK) Provider Contract (Contract) establishes the requirements providers must meet for delivery of the VPK Program. The Contract also establishes the Coalition's authority to enforce the provisions of the Contract and grants the ability to take action for noncompliance.

The draft Contract Enforcement Actions were developed by the Service Delivery Committee which represents a variety of perspectives – child care providers, child care licensing, Board Members, Hillsborough County Public School Staff and ELCHC staff.

The Committee articulated that contract enforcement actions should be consistent (applied equally across all providers), transparent (easy to understand), reasonable (providers not excessively penalized, especially for violations immediately corrected) and predictable (providers know what to expect when they do not comply with the terms and conditions of the VPK Contract).

The Committee also agreed that the enforcement model would be based on a progressive structure of self-correction that takes into account providers' ability to correct deficiencies and sustain compliance. In this progressive model, enforcement actions substantially increase in seriousness and severity when the same term of the contract is violated repeatedly. Additionally, the Committee acknowledged that some contract issues are serious enough to warrant restrictive penalties on the first violation.

The Committee's recommended sanctions for non-compliance were reviewed by the Board's attorney, Steve Lee. Mr. Lee indicated that the proposed sanctions are either required by rule or statute or are within management's discretion.

As stated previously, it is the ELCHC's responsibility to ensure that the early care and learning programs meet the requirements of the VPK contract. The creation and organization of the Committee demonstrates ELCHC's commitment to transparency, shared decision making, and continuous quality improvement to support child care programs.

Attachment I outlines the Committee's recommendations for non-compliance with the terms and conditions of the State-Wide VPK Contract.

## ELCHC BOARD EXECUTIVE/FINANCE MEETING – JANUARY 22, 2018

### ACTION

### ITEM IV.D.

<b>ISSUE:</b>	<b>Execute Contract Amendment Three (3) to School Readiness Contract with School District of Hillsborough County</b>
<b>FISCAL IMPACT:</b>	\$185,292
<b>FUNDING SOURCE:</b>	Office of Early Learning
<b>RECOMMENDED ACTION:</b>	Authorize staff to execute a contract amendment with the School Board of Hillsborough County in the amount of \$185,292 for the period November 1, 2017 to June 30, 2018.

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#### **Background:**

The Office of Early Learning has allocated the Coalition funding for the Performance Funding Project for the period November 1, 2017 – June 30, 2018. This additional funding does not reduce any of the current funds designated for child care direct services.

The Performance Funding Project (PFP) funds of up to \$185,292, are tiered reimbursement funds allocated to eligible providers based upon their level of quality. Providers were selected according to criteria established by the Office of Early Learning.

Staff recommends that the Board authorize staff to enter into a contract amendment with the School District of Hillsborough County for the period November 1, 2017 to June 30, 2018.

## ELCHC EXECUTIVE/FINANCE COMMITTEE MEETING -January 22, 2018

### ACTION

### ITEM IV.D.

**ISSUE:** **School Readiness Match Contract Amendment One (1) with the School Board of Hillsborough County**

**FISCAL IMPACT:** \$421,546

**FUNDING SOURCE:** Children's Board of Hillsborough County

**RECOMMENDED ACTION:** Approve the Contract Amendment with the School Board of Hillsborough County

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**NARRATIVE:** The Early Learning Coalition had a current Match Contract with the Children's Board of Hillsborough County in the amount of \$2,480,701 for the period October 1, 2017 – September 30, 2018. Due to a reduction in funding from the Children's Board the amount available for match is now \$2,059,155. As the School Board of Hillsborough County is under contract with the Coalition for School Readiness payments for providers, it is necessary to decrease their contract for direct slot funding by the same amount (\$421,546). The proposed Amendment will reduce the match available for direct child care slots to \$2,059,155.

Staff recommends that the Board authorize staff to enter into a contract amendment with the School District of Hillsborough County.

**DISCUSSION**

**ITEM V.A.**

<b>ISSUE:</b>	<b>Budget Report</b>
<b>FISCAL IMPACT:</b>	Not applicable
<b>FUNDING SOURCE:</b>	Not applicable
<b>RECOMMENDED ACTION:</b>	To review and offer input on the ELCHC budget report

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**NARRATIVE:**

The attached budget report has been revised to provide more program and compliance related information.

*(attachment)*

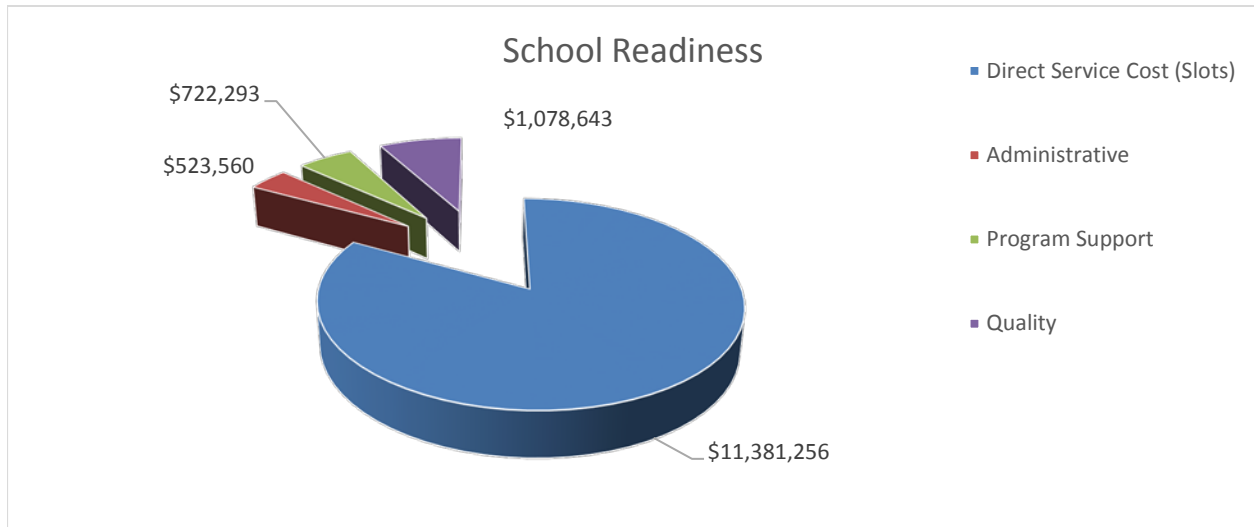


## School Readiness Budget Analysis As of 11/30/17

Category	FY 17-18 Award	Actual thru 11/30/17		Restrictions
<b>Direct Services</b>				
Direct Service Cost (Slots)	<b>\$35,864,665</b>	<b>\$11,381,256</b>	<b>83.04%</b>	Minimum 78%
<b>Operating</b>				
Administrative	\$2,240,299	\$523,560	3.82%	Maximum 5%
Program Support	\$5,824,776	\$722,293	5.27%	
Quality	\$1,792,239	\$1,078,643	7.87%	Minimum 4%
<b>Total Operating</b>	<b>\$9,857,314</b>	<b>\$2,324,496</b>	<b>16.96%</b>	Maximum 22%
<b>Total Direct Services and Operating</b>	<b>\$45,721,979</b>	<b>\$13,705,752</b>		

Includes subcontracts with:

School District of Hillsborough County	\$39,245,171
Child Care Licensing	\$1,058,904
Early Childhood Council	\$49,500



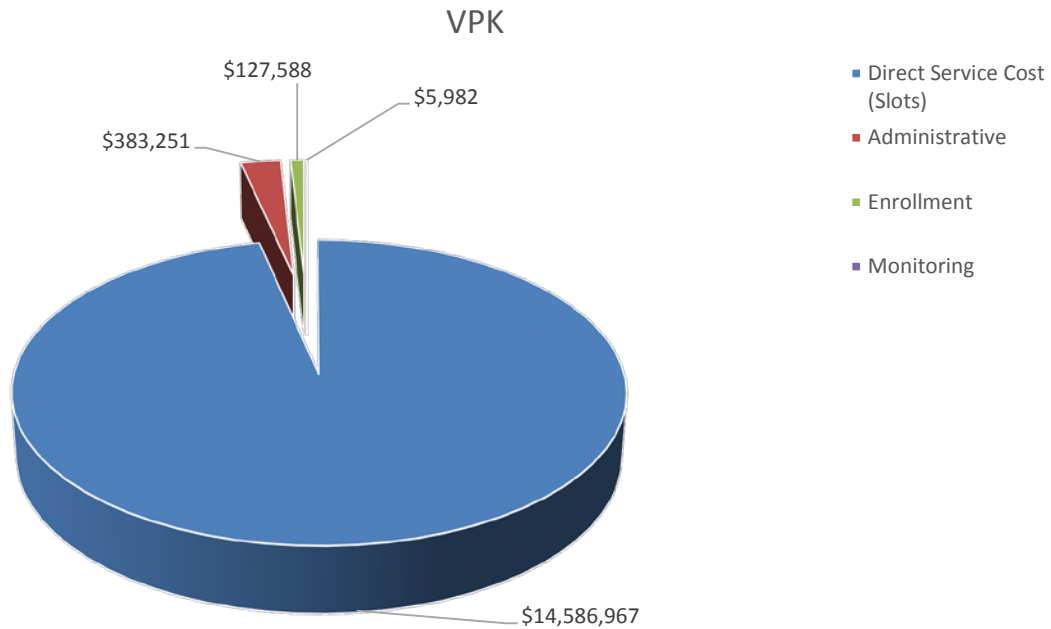


**VPK Budget Analysis**  
**As of 11/30/17**

<b>Category</b>	<b>FY 17-18 Award</b>	<b>Actual thru 11/30/17</b>	<b>Restrictions</b>
<b>Direct Services</b>			
Direct Service Cost (Slots)	<b>\$28,569,388</b>	<b>\$14,586,967</b>	<b>96.62%</b>
<b>Administrative and Enrollment</b>			
Administrative	\$834,226	\$383,251	2.54%
Enrollment	\$308,549	\$127,588	0.85%
<b>Total Administrative and Enr</b>	<b>\$1,142,775</b>	<b>\$510,839</b>	<b>3.38%</b>
<b>Outreach, Awareness and Monitoring (OAMI)</b>			
Outreach and Awareness	\$33,964		
Monitoring	\$35,474	\$5,982	
<b>Total OAMI</b>	<b>\$69,438</b>	<b>\$5,982</b>	
<b>Total VPK Expenditures</b>	<b>\$29,781,601</b>	<b>\$15,097,806</b>	
Includes subcontract with: Early Childhood Council		\$22,000	

Maximum 4% by end of contract year.

Minimum of \$35,474 on monitoring by end of contract year.





**Budget Variance Analysis**  
 Coalition Operating Expenditures  
 As of 11/30/17

Category	Current Year	Total Budget -	Actual % of	% of Budget	Over/Under %	Variance Notes*
	Actual	Original	Year			
Personnel	1,228,554	3,642,327	42%	33.73%	-8%	
Occupancy	181,058	389,757	42%	46.45%	5%	
Professional Fees	23,897	59,642	42%	40.07%	-2%	
Travel & Training	22,601	57,606	42%	39.23%	-2%	
Quality Action Grants	8,200	200,000	42%	4.10%	-38%	New applications for grants are being processed by staff since the redesign of the Quality Counts program. The 1st quarter grants is expected to be awarded on or before December 31, 2017.
Insurance	18,845	22,025	42%	85.56%	44%	The yearly renewal insurance policy is paid in the month of October.
Technology	83,284	229,613	42%	36.27%	-5%	
Educational Supplies	42,192	53,565	42%	78.77%	37%	Yearly purchase of Teaching Strategies Gold Online assessments purchased during the month of September. Participants kits were purchased to prepare for required Performance Funding Pilot MMCI trainings. Purchase of books for Read for the Record event is also included in this category. Additional MMCI participant kits were purchased in the month of October.
Office Supplies	16,986	35,294	42%	48.13%	6%	
Outreach	29,975	89,000	42%	33.68%	-8%	
Printing/Binding	17,240	37,980	42%	45.39%	4%	
Other Operating	50,608	75,536	42%	67.00%	25%	The MyOn reader annual subscription was paid in July. The yearly Association of Early Learning Coalitions dues were paid in August. The annual subscription for the Learning Management System was paid in September.
<b>Total Operating Expenditures</b>	<b><u>1,723,441</u></b>	<b><u>4,892,345</u></b>		<b><u>35.23%</u></b>		

\* All variances over or under by 10% or more are explained.

INFORMATION

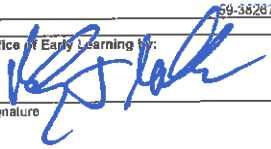
ITEM VI.A.

**ISSUE:** **Accept Notice of Award (NOA) for Performance Funding Project**  
**FISCAL IMPACT:** \$217,344  
**FUNDING SOURCE:** Office of Early Learning  
**RECOMMENDED ACTION:** Accept the Performance Funding Project NOA for the period November 1, 2107 to June 30, 2018

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**NARRATIVE:** The Office of Early Learning has allocated \$217,344 to the Coalition for the Performance Funding Project (PFP) via the attached NOA dated November 27, 2017. Approximately 85% (\$185,292) of PFP funds are for eligible School Readiness providers through tiered reimbursement based upon their level of quality. The remainder of the funds (15% or \$32,063) is designated for Quality Support and Project Management. Providers were selected according to criteria established by the Office of Early Learning. There are 38 providers participating in PFP.

Staff recommends accepting the NOA for the period November 1, 2017 to June 30, 2018.

1. DATE ISSUED November 27, 2017		<b>DEPARTMENT OF EDUCATION OFFICE OF EARLY LEARNING</b> <b>PERFORMANCE FUNDING PROJECT NOTICE OF AWARD</b> <small>AUTHORIZATION (Legislation/Regulation) Part VI, Chapter 1002, Florida Statutes</small>	
2. SUPERSEDES AWARD NOTICE dated _____ <small>except that additions or restrictions previously imposed during the current award period remain in effect unless specifically rescinded.</small>			
3. AWARD NO. PP258			
4. AWARD PERIOD From: 7/1/17 Through: 6/30/18			
5a. COALITION NAME AND ADDRESS Early Learning Coalition of Hillsborough 6800 Dale Mabry Highway, Suite 158 Tampa, FL 33614		5c. COUNTY OR COUNTIES SERVED  Hillsborough	
5b. PAYEE NAME AND ADDRESS Hillsborough County School Readiness Coalition, Inc. 6800 Dale Mabry Highway, Suite 158 Tampa, FL 33614		6. COALITION EXECUTIVE DIRECTOR OR AUTHORIZED COALITION REPRESENTATIVE  Steve Knobl	
5c. DUNS 830358060			
7. ALLOCATIONS a. Performance Funding Project Allocation ..... \$ 217,344		8. TARGETED FUNDS AND RESTRICTIONS a. ELC Quality Supports and Project Management: maximum \$32,063	
TOTAL COALITION AWARD \$ 217,344			
9. ESTIMATED ALLOCATION TO FUNDING SOURCE			
<u>CFDA#</u>	<u>CFDA Title</u>	<u>Federal Award Name</u>	<u>Award Year</u>
83.575	Child Care Development Fund (CCDF)	CCDF Discretionary	FFY 2017
		<u>Federal Award No.</u>	<u>R&amp;D (Yes or No)</u>
		G1602FLCCDF	No
Federal Funding Source: U.S. Department of Health and Human Services			<u>Percentage</u> 100.00%
10. ACCEPTANCE OF TERMS AND CONDITIONS THIS AWARD IS BASED ON LEGISLATIVE ALLOCATION AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING:  a. The program legislation/regulation cited above; b. 45 CFR Parts 98, 99 and 280 -285 c. 2 CFR Part 200, 45 CFR Part 75 d. State Laws and Rules  Acceptance of the award terms and conditions is acknowledged when funds are drawn or otherwise obtained from the Office of Early Learning.			
11. REMARKS: 1. Maximum allocation for OCAs 97PFA and 97PFQ in accordance with Program Guidance 250.01 OCA Working Definitions. See Attachment I for budget details.			
12. PAYEE FEID # 89-3828765		13. COALITION PLAN APPROVAL DATE January 23, 2016	
Office of Early Learning for:			
Signature: 		Rodney J. MacKinnon Printed Name: Title: Executive Director	