

Florida MIECHV Initiative Provider Fiscal Policy Manual

Florida MIECHV Initiative

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Florida
Maternal
Infant &
Early
Childhood
Home
Visiting
Initiative



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Introduction

The Florida Association of Healthy Start Coalitions (FAHSC), Florida Maternal, Infant and Early Childhood Home Visiting (MIECHV) Initiative awards Federal grant funds to local implementing agencies (LIAs) and other entities for provision of home visiting and program support services throughout the state. LIAs are subrecipients of Federal grant funds. Other entities providing program support services are evaluated to make subrecipient/contractor determinations. (See Subrecipient or Contractor Determinations section below.) Funds are provided to LIA's and other subrecipients on a cost reimbursement basis. LIAs and other subrecipients are responsible for local oversight of program implementation, including the appropriate use of funds. This manual will refer to these LIAs and other subrecipients as "Providers." Providers may, in keeping with grant agreement requirements, enter into sub-agreements for the provision of home visiting or support services. This manual will refer to Provider sub-agreement entities as "subrecipients." Provider MIECHV agreement requirements must be included in subrecipient agreements. In addition, Providers are hereby advised that MIECHV Federal grant requirements follow Federal funds to all subrecipients.

Florida MIECHV Initiative activities and expenditures are governed by the following Federal administrative and fiscal regulations. Effective December 26, 2014, all references to OMB Circulars for administrative and audit requirements and cost principles that govern Federal monies associated with this award are superseded by the Uniform Guidance 2 CFR 200 as codified by HHS at 45 CFR 75. This document has been revised accordingly. Each subrecipient is required to have a written fiscal policy that conforms to these Florida MIECHV Initiative and Federal fiscal requirements.

[Code of Federal Domestic Assistance, 93.870](#)

[HHS Grants Policy Statement](#) (PDF - 217 pages) (Revised 01/01/2007)

[45 CFR Part 75](#) – Uniform Administrative Requirements, Costs Principles, and Audit Requirements for HHS Awards

This policy manual provides Florida MIECHV Initiative specific requirements related to fiscal responsibilities of Providers. In addition, this manual references several provisions of the above governing regulations to ensure Providers are aware of these requirements. However, all requirements provided in the above referenced, governing regulations are applicable to all Florida MIECHV Initiative grant awards. Florida MIECHV Initiative Providers are strongly encouraged to ensure any further subrecipient awards of MIECHV grant funds include requirements of this manual. All disbursement of Florida MIECHV Initiative funds must comply with the above requirements, and the specific Florida MIECHV Initiative requirements included in the Provider's MIECHV agreement and this manual.

Documentation of Expenditures

Providers must sufficiently document expenditures related to Florida MIECHV Initiative activities. Documentation serves as evidence of the Provider's time, effort and utilization of resources to implement program activities. Documentation is essential to audit and monitoring processes and successful audit and monitoring results. Examples of documentation include accurate and complete invoices, timesheets/personnel activity reports, sign-in sheets, and expense receipts. Should you have any questions regarding appropriate and sufficient documentation, you may contact your Florida

MIECHV Initiative Contract Manager. Provider policies related to record retention must meet Federal guidelines.

45 CFR, Part 75 Definitions

The following definitions, provided in 45 CFR, Part 75, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards, are re-stated below to emphasize their relevance and applicability to Florida MIECHV Initiative grant funds. Note that FAHSC serves as both a pass-through entity and a recipient of Federal funds.

Allocation means the process of assigning a cost, or a group of costs, to one or more cost objective(s), in reasonable proportion to the benefit provided or other equitable relationship. The process may entail assigning a cost(s) directly to a final cost objective or through one or more intermediate cost objectives.

Contract means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this part does not include a legal instrument, even if the non-Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or subaward (see Subaward).

Contractor means an entity that receives a contract as defined in contract.

Direct costs

- (a) General. Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs. See also §75.405.
- (b) Application to Federal awards. Identification with the Federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect (F&A) costs of Federal awards. Typical costs charged directly to a Federal award are the compensation of employees who work on that award, their related fringe benefit costs, the costs of materials and other items of expense incurred for the Federal award. If directly related to a specific award, certain costs that otherwise would be treated as indirect costs may also include extraordinary utility consumption, the cost of materials supplied from stock or services rendered by specialized facilities or other institutional service operations.
- (c) The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:
 - (1) Administrative or clerical services are integral to a project or activity;
 - (2) Individuals involved can be specifically identified with the project or activity;
 - (3) Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
 - (4) The costs are not also recovered as indirect costs.
- (d) Minor items. Any direct cost of minor amount may be treated as an indirect (F&A) cost for reasons of practicality where such accounting treatment for that item of cost is consistently applied to all Federal and non-Federal cost objectives.
- (e) The costs of certain activities are not allowable as charges to Federal awards. However, even though these costs are unallowable for purposes of computing charges to Federal awards, they nonetheless must be treated as direct costs for purposes of determining indirect (F&A) cost rates and be allocated their equitable share of the non-Federal entity's indirect costs if they represent activities which:
 - (1) Include the salaries of personnel,
 - (2) Occupy space, and
 - (3) Benefit from the non-Federal entity's indirect (F&A) costs.
- (f) For nonprofit organizations, the costs of activities performed by the non-Federal entity primarily as a service to members, clients, or the general public when significant and necessary to the non-Federal entity's mission must be treated as direct costs whether or not allowable, and be allocated an equitable share of indirect (F&A) costs. Some examples of these types of activities include:
 - (1) Maintenance of membership rolls, subscriptions, publications, and related functions. See also §75.454.

- (2) Providing services and information to members, legislative or administrative bodies, or the public. See also §§75.454 and 75.450.
- (3) Promotion, lobbying, and other forms of public relations. See also §§75.421 and 75.450.
- (4) Conferences except those held to conduct the general administration of the non-Federal entity. See also §75.432.
- (5) Maintenance, protection, and investment of special funds not used in operation of the non-Federal entity. See also §75.442.
- (6) Administration of group benefits on behalf of members or clients, including life and hospital insurance, annuity or retirement plans, and financial aid. See also §75.431.

Facilities and Administration Classification. For major IHEs and major nonprofit organizations, indirect (F&A) costs must be classified within two broad categories: “Facilities” and “Administration.” “Facilities” is defined as depreciation on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses. “Administration” is defined as general administration and general expenses such as the director's office, accounting, personnel and all other types of expenditures not listed specifically under one of the subcategories of “Facilities” (including cross allocations from other pools, where applicable). For nonprofit organizations, library expenses are included in the “Administration” category; for institutions of higher education, they are included in the “Facilities” category. Major IHEs are defined as those required to use the Standard Format for Submission as noted in appendix III to part 75.C. 11. Major nonprofit organizations are those which receive more than \$10 million dollars in direct Federal funding. (See 45 CFR §75.414)

For purposes of MIECHV funding, the term “administrative expenditures” refers to the costs of administering a MIECHV grant incurred by the recipient, and includes, but may not be limited to, the following:

- Reporting costs (reports required as a condition of the award);
- Project-specific accounting and financial management;
- Subrecipient monitoring;
- Audit expenses.

Indirect (Facilities and Administration or F&A) costs means costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

Internal control pertaining to the compliance requirements for Federal programs (Internal control over Federal programs) means a process effected by an entity's management and other personnel designed to provide reasonable assurance regarding the achievement of the following objectives for Federal programs:

- (1) Transactions are properly recorded and accounted for to:
 - (i) Permit the preparation of reliable financial statements and Federal reports;
 - (ii) Maintain accountability over assets; and
 - (iii) Demonstrate compliance with laws, regulations, and other compliance requirements;
- (2) Transactions are executed in compliance with:
 - (i) Laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on a Federal program; and
 - (ii) Any other laws and regulations that are identified in the compliance supplement; and
- (3) Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

Pass-through entity means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

Recipient means an entity, usually but not limited to non-Federal entities, that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term recipient does not include subrecipients.

Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Subrecipient means a non-Federal entity that expends Federal awards received from a pass-through entity to carry out part of a Federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

Contractor or Subrecipient Determinations

As a recipient of Federal MIECHV grant funds, you will likely purchase goods and services from other entities to carry out your program responsibilities. As you conduct your local program utilizing Federal dollars, you must correctly determine the type of relationship being established with your purchase, as either a subrecipient or a contractor relationship. Payments to subrecipients and related expenditure of Federal funds may be subject to Federal audit requirements. Payments received by a contractor for goods or services are not subject to Federal audit requirements. The subrecipient/contractor determination is made prior to the expenditure of funds. **45 CFR §75.351, Subrecipient and contractor determinations**, provides guidance to assist your organization with making the subrecipient/contractor determination. This guidance is highlighted below.

A subrecipient is characterized as an entity that:

- (1) Determines who is eligible to participate in MIECHV-funded services
- (2) Has its performance measured against whether the objectives of the MIECHV program are met;
- (3) Has responsibility for programmatic decision making;
- (4) Has responsibility for adherence to applicable Federal program compliance requirements.

A contractor is characterized as an entity that:

- (1) Provides the purchased goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the MIECHV program.

Providers and subrecipients should clearly indicate in the agreement or other purchasing document the results of the subrecipient/contractor determination. The Provider has the responsibility of informing all subrecipients of their Federal audit requirements as well as MIECHV program rules and regulations. Last, the Provider is responsible for monitoring subrecipient compliance and performance.

Direct and Indirect Costs

Direct costs are costs that can be identified specifically with a Florida MIECHV Initiative service, or other organizational Florida MIECHV Initiative activity. Direct costs include, but are not limited to, salaries, travel, equipment, and supplies directly benefiting the Florida MIECHV Initiative. Indirect costs (also known as “facilities and administrative costs”) are costs incurred for common or joint organizational objectives that cannot be readily identified with a Florida MIECHV Initiative service or activity. Typical examples of indirect cost for many non-profit organizations may include depreciation or use allowances on buildings and equipment, costs of operating and maintaining facilities, and general administration expenses, such as salaries and expenses of executive, accounting and administration personnel.

Florida MIECHV Initiative limits indirect costs to 10% of the Provider's modified total direct costs (MTDC). The Provider will calculate an estimated MTDC based on the planned, line item budget. Indirect costs must be described in the budget justification and identified in the line item budget.

Budget

Line Item Budget – Chart of Accounts

With execution of each agreement, the Provider will be asked to prepare a line item budget for the agreement period. It is recommended that the line item budget categories align with the Provider's accounting system chart of accounts, with the exception of fringe benefits, which may be listed as a single line item. Providers are strongly encouraged to include program, fiscal and data operations staff in the budget planning process.

Budget Justification

With the execution of each agreement, the Provider will be asked to prepare a budget justification. The budget justification will align with the line item budget; provide a detailed description of the planned activities; associated expenditures and the estimated percentage allocation of expenditures to the Florida MIECHV Initiative as appropriate to applicable line item categories. The following information is provided as guidance regarding appropriate detail for typical line item budget categories. These items are listed alphabetically, and not in the working order your accounting system will report.

Client assistance – provide a description of the type of assistance to be provided, how the assistance will be tracked and distributed, and how the client assistance will support accomplishment of Florida MIECHV Initiative Performance Measures. Client assistance funds must be limited to temporary, emergency assistance provided when all other financial assistance options have been exhausted. Further, Local MIECHV Program implementation policies and procedures should describe eligibility for and parameters for use of client assistance. The client file will describe/document the circumstances and provide a justification for use of this assistance.

Client incentives – provide a description of the type of incentive to be provided, how the incentive will be tracked and distributed, and how the client incentive will support accomplishment of Florida MIECHV Initiative Performance Measures. Promotional items, such as t-shirts, caps and related items are generally not an allowable expense. See below.

Equipment – indicate the type of equipment to be purchased, the number of units to be purchased and the benefit of the purchase to the Florida MIECHV Initiative. See below additional information regarding prior approval and inventory requirements for equipment.

Indirect Costs – limited to 10% the award amount, indicate personnel, facilities, supplies, equipment, etc. to be charged this budget line item. Provide a brief description of the allocation methodology.

Outreach – indicate the types of outreach events and estimated timeframe (indicate the quarterly reporting period during which events will take place.) Describe the relationship between the outreach activity and Florida MIECHV Initiative Performance Measures.

Personnel – all key positions are identified by position title with brief position description, and percent of Florida MIECHV Initiative effort (% FTE). NOTE: Total effort across the Provider's total budget may not exceed 100%. MIECHV approval of the line item budget establishes the Provider's direct cost FTEs

for the agreement period. These approved, direct cost FTEs are reported in the MIECHV-funded Personnel Form, which is an attachment to the agreement, monthly *Census and Data Quality Report*, and reported in the MIECHV LMS Positions Report. These budgeted and approved FTEs will not change unless an approved budget amendment is processed. See the Timesheets – Personnel Activity Reports section below for additional guidance regarding appropriate personnel compensation recordkeeping.

Program Model – be sure to include required model developer expenses.

Training – indicate the type of training, positions planned to participate, and estimated timeframe (indicate the quarterly reporting period during which events will take place.) Provider training and associated expenses should complement, rather than duplicate training provided by the Florida MIECHV Initiative.

Travel – indicate the purpose of travel, positions to travel, applicable rates, estimates and calculations, and estimated timeframe (indicate the quarterly reporting period during which events will take place).

Allowable, Allocable, Necessary, Reasonable

All Florida MIECHV Initiative costs related to MIECHV activities must be allowable, allocable, necessary and reasonable. The references listed in the introductory section of this manual provides guidance on allowable Florida MIECHV Initiative activities. Any questions regarding allowable activities should be addressed prior to the expenditure of funds.

Expenses must be based on actual costs, not planned or budgeted costs. Expenses allocated to MIECHV funds must benefit Florida MIECHV Initiative activities. If an expense benefits multiple programs within your organization, the cost must be appropriately allocated (charges distributed) across benefiting programs. The basis of allocating expenses must be described and appropriate for the expense. For example, rent expense would not likely be based on the number of staff. Instead, square footage occupied by Florida MIECHV Initiative and other program staff would more appropriately illustrate the benefit of the organization's occupancy costs. The Provider's cost allocation plan/allocation methodology must be consistently and equitably applied to all funding sources, and may be included in the Provider's fiscal policy/procedures manual.

Costs must also be necessary to the operation of the program and acquired at a reasonable cost. Please note the following cost guidelines.

1. must be necessary for the performance or administration of the program.
2. must follow sound business practices.
3. must align with fair market prices, no significant difference from established prices.
4. be judged as prudent under similar circumstances
5. clearly related to program needs, objectives and performance measures.

Items for the personal convenience of staff are not allowable Florida MIECHV Initiative expenses.

Subrecipient Agreements

Prior written approval is required for the issuance of subrecipient agreements by the Provider utilizing Florida MIECHV Initiative funds. The Provider will forward a copy of the subrecipient agreement(s) including the subrecipient budget to the Florida MIECHV Initiative Contract Manager within 30 days of execution. The subrecipient agreement will include Florida MIECHV Initiative award information and

related regulatory requirements. The subrecipient agreement will state that the Provider will monitor the subrecipient for compliance with required regulations and Florida MIECHV Initiative requirements. The Provider will forward subrecipient monitoring reports to the Florida MIECHV Initiative Contract Manager within 10 days of issuance to the subrecipient.

Budget Amendment Request

Providers prepare a planned line item budget preferably aligned with their accounting system's chart of accounts at the start of each grant award period. A budget amendment request is required when budgeted line item expenditures are expected to exceed the planned line item budget by either 10%, or \$10,000, whichever is greater. In addition, a budget and justification amendment request will be required when there is a planned change in the key positions (direct cost personnel) as identified in the planned budget and justification, including key positions in subrecipient budgets/agreements. Last, a budget amendment request is required when a new budgeted line item is to be added to the planned budget. A budget and/or budget and justification amendment request must precede reported expenditures exceeding these parameters, changes to key personnel, or expenditures in a new budget category. Requests for payment will not be processed until a budget and/or budget justification meeting these guidelines is approved.

A budget amendment request will be submitted on the Line Item Budget and Expenditures Reporting Form, which is an attachment to the Provider's MIECHV agreement. Insert a new "Planned Budget" column and updated with a "Revised MM/DD/YY" date. An updated budget justification will accompany the budget amendment request.

Budget amendment requests that include changes in key personnel will also include a revised MIECHV-funded Personnel Report Form, which is an attachment to the agreement. When approved, the revised FTEs will be updated/reported in the monthly Census and Data Quality Report and reflected in the MIECHV LMS Positions Report.

Equipment – Tangible Personal Property Inventory

The purchase of equipment necessary to implement and provide Florida MIECHV Initiative services is allowable. Prior approval is required for the purchase of equipment exceeding \$5,000. All equipment purchases must comply with HHS acquisition requirements or if more stringent, the Provider's procurement policies/procedures. In addition, [HHS regulations](#) require an inventory of equipment with a life expectancy of at least one year or a purchase price of \$5,000 or more is required and should include the information outlined below.

1. Description
2. Serial Number or other identifying number
3. Source of funding
4. Title information, if applicable
5. Acquisition date
6. Cost
7. Percent of Florida MIECHV Initiative participation
8. Location/user
9. Purpose/use
10. Condition

11. Disposition, if applicable
12. Verification of physical inventory check, with date and personnel conducting verification

Federal guidelines state that a physical inventory check is required every two years. Provider policies and procedures may require a physical inventory check each year. Any discrepancies found during the required physical inventory check must be investigated and, if not resolved, reported to the Florida MIECHV Initiative Contract Manager. Disposition of equipment must follow Federal guidelines, be accurately recorded on the inventory, and should be reported to the Florida MIECHV Initiative Contract Manager. Again, the Provider will adhere to their own policies and procedures, which must comply with, and may be more stringent than Federal requirements.

Financial Expenditures Reports

Florida MIECHV Initiative Providers submit the Line Item Budget and Financial Expenditures Report Form (Financial Expenditures Report, signed and electronic), which is an attachment to the Provider's MIECHV agreement, each quarter. These reports are due no later than 15 days after the close of each quarter. The Financial Expenditures Report includes the planned budget, quarterly and total expenditures and the balance of funds by budgeted line item. These quarterly reports assist the Provider and the Florida MIECHV Initiative Contract Manager with tracking both expenditures and the balance of funds. Providers are asked to submit a detailed general ledger reflecting all transactions/expenses incurred during the reporting period with each quarterly Financial Expenditures Report. The general ledger should include account code subtotals and a report total. It is recommended that the general ledger account codes align with the line item budget categories in the Financial Expenditures Report. Quarterly and agreement period general ledgers are reviewed to ensure reported expenditures reconcile to the Provider's accounting of Florida MIECHV Initiative expenditures. The *Florida MIECHV Initiative Provider Quality Assurance Monitoring Procedures Manual* provides more information regarding general ledger requests and fiscal monitoring.

Quarterly Fiscal Monitoring

A fiscal monitoring will be conducted each quarter. Quarterly fiscal monitoring results will be forwarded to the Provider and compiled to be included in the annual monitoring report. The Provider's quarterly detailed general ledger will be reviewed to select a minimum number of expense items for which back-up documentation will be requested. Expense items will be selected in the following categories: travel, non-salary and salary. Guidance below (from the [HHS Grants Policy Statement](#)) is provided to assist the Provider with responding to back-up documentation requests.

Travel Expenses – Federal guidelines for travel reimbursement state that these costs are allowable to the extent that they are a direct cost where such travel will provide direct benefit to the program or project. MIECHV-funded staff travel reimbursement expenses must be consistent with the Provider's established travel policy. Costs for employees working on the MIECHV-supported program or project may include associated per diem or subsistence allowances and other travel-related expenses, such as mileage allowances if travel is by personal automobile.

Back-up documentation will include 1) proof of payment; 2) a copy of the travel reimbursement form associated with the travel event (traveler, purpose, dates, departure and return times, location); 3) related expense receipts. Often the travel item selected from detailed general ledger will be for one

expense associated with a travel event, such as airfare for a conference. **Be sure to include the travel reimbursement form for the conference/travel event.** The information on the travel reimbursement form provides context needed to determine if the selected travel expense item is allowable. If the Provider's travel reimbursement policy provides for rates other than the State of Florida reimbursement rates, please provide a reference to the Provider policy.

If a travel expense is paid with an agency credit card, please include a copy of the statement reflecting the selected item and proof of payment for the credit card bill/statement.

Non-salary Expenses – Federal guidelines for general operating and other program support expenses are provided in the HHS Grants Policy Statement by expense category. Non-salary items typically include communications, equipment, equipment rental, phones, printing, utilities, occupancy, program materials/publications and supplies, participant supports and other allowable program expenses. These expenses may be 100% direct-charged MIECHV costs, or may be shared/allocated costs.

Back-up documentation will include 1) proof of payment; 2) a copy of the expense invoice; 3) if the selected item is a share/allocated expense, documentation will include a breakdown of the allocation of the cost across the Provider's programs/funding resources. As well, as a brief description of the allocation base (e.g., FTE, number of phone lines assigned to Provider staff/MIECHV staff; square footage occupied by Provider staff/MIECHV staff or other non-monetary base).

If a non-salary expense is paid with an agency credit card, please include a copy of the statement reflecting the selected item and proof of payment for the credit card bill/statement.

Salary and Wages Expenses – Federal guidelines for personnel compensation costs state that these costs are allowable to the extent that they are reasonable, conform to the established policy of the organization, are consistently applied regardless of the source of funds, and reflect no more than the percentage of time actually devoted to the MIECHV-funded project or program. Salary and wage amounts charged to MIECHV-supported programs or projects for personal services must be based on an adequate payroll distribution system that documents such distribution in accordance with generally accepted practices of like organizations. See the [HRSA Grants Policy Statement](#) (p. II-40) and [45 CFR 75.430](#) for additional information. Standards for payroll distribution systems are briefly summarized as follows:

- Hospitals
Monthly after-the-fact reports of the distribution of time or effort for professional staff members.
Time and attendance and payroll distribution records for non-professional employees.
- Non-profit organizations
Monthly after-the-fact reports, including a signed certification, by the employee, or by a responsible supervisory official having first-hand knowledge of the work performed, that the distribution of activity represents a reasonable estimate of the actual work performed by the employee during the period covered by the report. Each report must account for the total activity required to fulfill the employee's obligations to the organization as well as the total activity for which he or she is compensated.
- For non-professional employees, additional supporting reports, indicating the total number of hours worked each day, must be maintained in conformance with DoL regulations implementing the Fair Labor Standards Act (29 CFR part 516).

- The distribution of salaries and wages must be supported by personnel activity reports as described above, except when a substitute system has been approved, in writing, by the Federal cognizant agency.

Back-up documentation will include 1) proof of payment (pay stub or payroll expense distribution report), including fringe benefits, and 2) support documentation evidencing actual hours worked and amounts charged/allocated to the MIECHV program. Note that salary/wage expenses may not be charged based on budgeted amounts or budgeted FTEs. Salary/wages expenses must be based on actual hours worked and supported with sufficient recordkeeping. See the Timesheets – Personnel Activity Reports section below.

Bank Accounts and Statements

45 CFR § 74.22 states that a subrecipient is not required to establish a separate depository account for the receipt of MIECHV funds; however, the Provider must be able to account for the receipt, obligation and expenditure of Florida MIECHV Initiative funds. In addition, the bank account statement should be auditable to the Provider's general ledger.

Advanced funds should be maintained in an interest bearing account unless certain circumstance are met. Please see the *Interest Earned on Advanced Funds* section below.

Food – Not Travel-related

Costs related to food/snack items are not allowable expenses for Florida MIECHV Initiative funds. Allowable meals during approved travel at the allowable per diem rate are the only allowable food-related expenses.

Fundraising

The costs incurred for fundraising activities are not allowable for Florida MIECHV Initiative funds. Please see 45 CFR, §75.442.

Promotional Items

Promotional items are not allowable.

Program Income

45 CFR § 75.302 defines program income as “gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award.”

Examples of program income:

- (1) Fees from services performed. This would include fees earned from training events conducted by the provider for education of parents, or other community partners.
- (2) Use or rental of real or personal property acquired under the MIECHV program.
- (3) Use of commodities or items fabricated under this award. This would include any curriculum or other products developed with award funds.
- (4) License fees and royalties on patents and copyrights.
- (5) Interest earned on advances that is not required to be returned to FAHSC/MIECHV. Refer to the “Interest Earned on Advanced Funds” section of this document.

All program income earned during the year must be recorded on the books of the Provider as restricted funds, subject to the same terms and conditions, and compliance requirements of the award funds used to generate the program income. Any program income earned by a Provider within a quarter must be used to cover allowable expenditures within that quarter or the following quarter prior to the expenditure of any Florida MIECHV Initiative funding. Prior approval from Florida MIECHV Initiative is required for a request to hold program income funds for more than one quarter. No requests can be approved beyond the grant award year in which the program income was earned.

Interest Earned on Advanced Funds

45 CFR § 75.305(b)(7) provides standards governing the use of banks and other institutions as depositories of advance payments and states that recipients shall maintain Federal funds, including advances in an interest bearing account, unless

- (1) The recipient receives less than \$120,000 in Federal awards per year.
- (2) The best reasonably available interest bearing account would not be expected to earn interest in excess of \$250 per year on cash balances.
- (3) The depository would require an average or minimum balance so high that it would not be feasible within the expected cash advance.

Earned interest will be reported quarterly. The Provider must keep documents such as bank statements to support interest earned amounts and make these documents available for audit or monitoring purposes.

Interest amounts up to \$500 per year may be retained by the recipient for administrative expense. Interest amounts in excess of \$500 must be remitted to the Florida MIECHV Initiative by check made payable to FAHSC/Florida MIECHV Initiative within 30 calendar days after the end of each quarter. The remittance detail must identify the fiscal quarter attributable to the interest payment.

Medical Services for Participants

In accordance with the purpose of the MIECHV program, recipients must implement home visiting services that result in improvements in the coordination and referrals for other community resources and supports, and coordinate with comprehensive statewide early childhood systems to support the needs of families in the program. Recipients may coordinate with and refer to direct medical, dental, mental health or legal services and providers covered by other sources of funding, for which non-MIECHV sources of funding may provide reimbursement. The MIECHV program generally does not fund the delivery or costs of direct medical, dental, mental health, or legal services; however, some limited direct services may be provided (typically by the home visitor) to the extent required in fidelity to an evidence-based model approved for use under MIECHV.

In summary, direct medical, dental, or mental health services expenses are allowable only if provided by a qualified home visitor as part of the model's intervention. Please contact your MIECHV contract manager regarding any questions related to allowable use of MIECHV funds.

Procurement Procedures

The Provider will establish and maintain written procurement procedures to ensure free and open competition, to the maximum extent possible, for the purchase of goods or services. 45 CFR §75.326-

335 provide standards to assist Providers in the development of procurement procedures. In addition, procurement procedures will include a provision regarding verification of responsible vendors. Providers may reference [State of Florida convicted/suspended vendors lists](#) to verify potential vendors' status. In addition, Provider's may verify subrecipient grantee registration and eligibility to receive Federal funds in [SAM](#).

Timesheets – Personnel Activity Reports

Staff timesheets, or personnel activity reports must reflect actual time worked, reflect total time worked (100% of FTE across all programs), and be signed after completion of the work period by the employee and the employee's supervisor. [HRSA Grants Policy Statement](#) (p. II-40) and 45 CFR §75.430(i) provide recordkeeping requirements related to compensation for personnel services. As personnel expenditures will comprise a significant portion of Florida MIECHV Initiative funds, it is very important that the Provider comply with these requirements. See Reference above section Quarterly Fiscal Reviews, which includes documentation requirements from the HRSA Grants Policy Statement.

Audit Requirements

45 CFR §75.501-507 specify requirements related to Federal single audit requirements. During the 2013-2014 and 2014-2015 Florida MIECHV Initiative agreement periods, the audit threshold for expenditure of Federal funds was \$500,000 annually, during the Provider's fiscal year. Beginning January 2015, the audit threshold for expenditure of Federal funds will increase to \$750,000. The Provider will submit a copy of required audit reports to the Florida MIECHV Initiative Contract Manager within 30 days of receipt.

Close-out

The Provider's MIECHV agreement period closeout process will include a review of programmatic and data collection activities and a final fiscal monitoring. The Provider will prepare and submit an Implementation Challenges and Proposed Actions Narrative Report which will include an assessment of adherence to model fidelity, minimum case load and intensity of home visiting services requirements/performance expectations, data collection, progress toward programmatic performance measures, administrative and financial requirements. The agreement will provided for a closeout period during which the Provider will perform a final reconciliation of allowable, reasonable, necessary and accurately allocated Florida MIECHV Initiative expenditures and payments received and ensure complete and accurate expense information has been reported. All reported expenditures and activities must have occurred within the agreement period. All expenditures must be based on actual expenses, not planned or budgeted expenses.

Final Fiscal Review

As stated above, the Provider will submit the following documents each quarter by date specified in the Florida MIECHV Initiative agreement.

1. Line Item Budget and Expenditures Report
2. General ledger, including line item categories (aligned with account codes) and totals

Within the Provider's MIECHV agreement closeout period, the Provider will perform a final reconciliation of allowable Florida MIECHV Initiative expenditures incurred and payments received,

submit a final Line Item Budget and Financial Expenditures Report and detailed general ledger for the entire agreement period. All reported and reconciled expenditures must have been incurred during the agreement period. Should a fiscal desk review result in questioned or disallowed costs, these disallowed items must be reconciled with the final expenditures report. Should payments exceed allowable expenditures incurred, the Provider will identify the balance of funds remaining on-hand, the difference between total expenses incurred and total payments received.

Providers with subrecipient service providers will conduct a final reporting and reconciliation of subrecipient expenses and disbursement. Any funds disbursed to subrecipients that remain unspent by subrecipients will be reflected the Provider's total balance of funds remaining on-hand with the Provider.

Carry Forward Funds

Providers meeting MIECHV agreement performance expectations related to participant enrollment and completed home visits during at least two of the most recent four quarters of the agreement period may request that a balance of unspent funds up to 5% of the award amount be carried forward to the next agreement period. The availability of total Florida MIECHV Initiative grant funds will determine the availability of carry forward funds. A carry forward budget and justification is required with the carry forward funds request. Unused funds in excess of 5% of the award amount must be returned to FAHSC within 60 days of the end of the final quarter.

Programmatic and Data Collection Reviews

Closeout will include receipt and review of required programmatic and data collection reports. Accomplishment of agreement performance expectations is required and will impact the Provider's award level for the next agreement period.