



COMMITTEE ROUTING	
Administrative/Finance	<input checked="" type="checkbox"/>
Operations	<input checked="" type="checkbox"/>
Executive	<input checked="" type="checkbox"/>

### ACTION AGENDA SUMMARY

AGENDA DATE: September 26, 2023

COMMISSION AGENDA #: 7.A (PUBLIC HEARING)

---

#### SUBJECT:

Public Hearing to Consider Approval of Amendments to the Policies and Procedures Manual

---

#### BACKGROUND:

The Children and Families Commission adopted a series of administrative, operational, monitoring, and financial policies to govern Commission and contractor operations upon formation. In order to make its policies and procedures more user-friendly and easier to locate, policies and procedures were combined into one document and the document was approved by the Commission as a Policies and Procedures Manual. The current Manual can be found on the Commission website on the Commission information page.

Staff periodically reviews the manual. Recommended changes are brought to the Commission for consideration. Periodically readopting the Manual ensures its provisions have been reviewed and eliminates any question as to the most recent version of the Manual. After review, changes are recommended by staff as needed.

Attached to this summary are pages of the Policies and Procedures Manual with highlighted suggested changes. If approved by the Commission as presented, the Policy & Procedure Manual will be updated to reflect all changes as needed, including numbering and formatting. The suggested changes to the Manual are summarized as follows:

- Modifying Section 403 to increase the maximum amount of administrative expenditures for First 5 Stanislaus from 15% up to the new level of 20% to reflect the impact of decreased revenue on the administrative cost percentage. This reference appears in the Policy section and also in 403.7.
- Clarifying the definition of an inventory item in Section 500.4. In addition, add the requirement that Contractors begin tracking inventory items from date of purchase using the Commission provided tracking tool.
- Modifying Section 502.4 to update the deadline for Contractor's year-end invoices for June. Contractors must submit invoices by July 10<sup>th</sup>. If unable to prepare a full invoice, Contractors may submit an estimated invoice by July 10<sup>th</sup>, with a complete invoice along with all necessary supporting documentation, submitted by July 31<sup>st</sup>.
- Modifying Section 502.5 to clarify the language related to outstanding invoices from Contractors.
- Modifying Section 506.1 to reflect the First 5 Stanislaus practice of including Contractor's indirect rate in their Budget Narrative and requiring a federal letter for all indirect rates over 10%.

The Administrative and Financial Committee, Operations and Executive Committee heard this item at their respective meetings on September 11<sup>th</sup>, September 14<sup>th</sup>, and September 20<sup>th</sup>.

---

#### STAFF RECOMMENDATIONS:

1. Conduct a Public Hearing on the Policies and Procedures Manual and recommended revisions.
2. Adopt the Policies and Procedures changes as presented.
3. Instruct staff to update all necessary changes to the Manual and to place the Manual on the First 5 Stanislaus website.

---

**FISCAL IMPACT:**

There is no direct fiscal impact associated with this agenda item. Raising the administrative cost cap does not increase total First 5 spending, but it does change how total allocations might occur. It is anticipated that information from this agenda item may be used by the Commission to make future decisions about funding, contracts, and budgets.

---

**COMMISSION ACTION:**

On motion of Commissioner \_\_\_\_\_; Seconded by Commissioner \_\_\_\_\_

And approved by the following vote:

Ayes: Commissioner(s): \_\_\_\_\_

Noes: Commissioner(s): \_\_\_\_\_

Excused or Absent Commissioner(s): \_\_\_\_\_

Abstaining: Commissioner(s): \_\_\_\_\_

1) \_\_\_\_\_ Approved as recommended.

2) \_\_\_\_\_ Denied.

3) \_\_\_\_\_ Approved as amended.

Motion: \_\_\_\_\_

Attest: \_\_\_\_\_

Stephanie Loomis – Staff Services Coordinator



**FIRST 5  
STANISLAUS**

**STANISLAUS COUNTY  
CHILDREN AND FAMILIES COMMISSION**

**POLICIES AND PROCEDURES MANUAL**

Last Revised: ~~November 30~~ September 26, 2023

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

**Policy:**

Expenditures made by the Commission shall be assigned to one of three categories: administrative, program, or evaluation. Actual expenditures in each category shall be reported to the Commission at least quarterly. In any fiscal year, actual Commission administrative expenditures shall not exceed ~~15~~<sup>20</sup> percent of the total amount budgeted in Fund 1755 (Children and Families Commission).

**Procedure:**

**403.1** Administrative costs are defined as:

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

**403.2** Program costs are defined as:

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

**403.3** Evaluation costs are defined as:

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

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

**COST CATEGORY EXAMPLES**

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

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

- 403.5** In accordance with Section 130151(b)(7) of the California Health and Safety Code, at least quarterly, expenditures allocated to administrative, program, and evaluation categories shall be reported to the Commission.
  
- 403.6** At least annually, documentation of the results of the evaluation expenditures, in the form of a report of program outcomes, shall be delivered to the Commission. Measurements to evaluate the outcomes of funded programs shall include the use of applicable, reliable indicators.
  
- 403.7** In any fiscal year, actual Commission administrative expenditures, unless changed by vote of the Commission, shall not exceed ~~ten~~ twenty percent (~~20~~2015%) of the total amount budgeted in Fund 1755 (Children and Families Commission). At least quarterly, actual administrative expenditures shall be reported to the Commission and compared to the 2015% limit.

## **Section 500 – Allowable Expenditures by Contractors**

### **Policy:**

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

### **Procedure:**

- 500.1** Expenditures shall be made for only those services, supplies, and materials that directly benefit the health and well-being of children 0 through 5 years of age. It is acknowledged that some services provided to other family members in families with children 0 through 5 will have a benefit to the child (parent education, literacy, family advocacy, etc.)
- 500.2** Expenditures made by Contractors shall comply with the scope of work and budget attached to the agreement between the Commission and the contracting agency. Budget categories may include but are not limited to salaries and benefits, services and supplies, and equipment/fixed assets.
- 500.3** Contractor requests for reimbursement shall be accompanied by appropriate supporting documentation. Commission staff may request additional supporting documentation to determine that an invoiced expenditure is consistent with these policies.
- 500.4** An inventory item shall be defined as eEquipment or materials purchased with or financed from a minimum of 50% of Commission funds having which has a useful life of three (3) years or greater or a value in excess of more than Five Hundred Dollars (\$500) ~~shall be defined as an inventory item~~. Prior written approval of the Executive Director, or his/her designee, is required for all purchases of inventory items, including, but not limited to, desktops, ~~or~~ laptops, and tablets (this does not include computer peripherals like printers or monitors). Contractor shall begin tracking inventory item(s) at time of purchase, until item(s) value has fully depreciated, using the method provided by the Commission.
- 500.5** All items purchased or financed with Commission funds not fully consumed during the execution of an agreement shall be the property of the Commission at the termination of an agreement unless the Commission, at its sole discretion, makes an alternative disposition.
- 500.6** The Commission and its contractors must be ever vigilant regarding their obligations and responsibilities to be good stewards of the public funds entrusted to them. Providing food and non-alcoholic beverage items at meetings and events is an especially sensitive subject and such items should be provided only in very limited and occasional circumstances. Alcoholic beverages cannot be purchased with public funds under any circumstances. Food or beverage items may be invoiced as an allowable expenditure when:
- There is prior approval from the Commission
  - The activity is listed in the budget/budget narrative
  - Special approval has been given from the Commission if activity is not listed in the budget/budget narrative

- ❑ An agenda or event flier, attendance sheet or list of meeting attendees accompanies the invoice for reimbursement. The meeting must target community members, the public, and/or employees of other agencies (education or training session, for example). The Commission reserves the right to request additional documentation as needed
- ❑ The items purchased contain predominately healthy choices: fruits, vegetables, water, juices, unsweetened drinks, etc.
- ❑ The items are utilized as an inducement to increase meeting attendance
- ❑ The items are related to an extended training session (a lunch meal as a part of an all-day training session, for example)
- ❑ The items are integral to the service being provided (nutrition education or obesity prevention, for example)
- ❑ Practicality, convenience, and efficiency dictate the need for such items (meetings of extended length or meetings held at sites where access to such items is not readily available, for example)

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

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

- 500.7** As a general rule, food and non-alcoholic beverage items should not be supplied for the exclusive use of Contractor's staff. The Commission shall accept such items on Contractor invoices only when it can be demonstrated the items are associated with extended training or with a meeting over a meal period that could not reasonably be scheduled for another time. Attendance sheets and agendas shall be included as supporting documentation of the need for such expenditures.
- 500.8** Out of county travel by Contractors must be submitted on an Out of County Travel Request Form and approved by Commission staff thirty (30) days prior to the travel. Once complete information is received from the Contractor, Commission staff shall approve or deny the request in writing to the Contractor within seven (7) business days. Out of County travel which does not have prior approval may be rejected for reimbursement by the Commission. Contractor travel costs shall comply with Stanislaus County's Travel Policy. Nothing herein shall exempt the Contractor from providing sufficient supporting documentation to support travel expenditures.
- 500.9** To incentivize program participants or volunteers, the Commission prefers that Contractors provide materials or supplies that are targeted to children 0 - 5 (books, educational materials, infant/toddler care supplies, learning games, etc.). The use of stipends or gift cards may be used as an incentive for program participants or volunteers only if specified in the Contractor's approved scope of work and budget.

## **Section 502 – Submission of Contractor Invoices for Reimbursement**

### **Policy:**

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

### **Procedure:**

- 502.1** Contractors shall comply with all invoice requirements as referenced in their Commission Contract as well Commission Policies, Procedures and practices.
- 502.2** Contractors scheduled to submit invoices for reimbursement to the Commission on a monthly basis shall submit the invoices within 30 days of the end of the month being billed.
- 502.3** Contractors scheduled to submit invoices for reimbursement to the Commission on a quarterly basis shall submit the invoices within 30 days of the end of the quarter being billed.
- 502.4** Contractors shall submit all year-end invoices for June no later than July 10<sup>th</sup>. ~~any costs incurred during the period July 1st through June 30th as soon as possible following the end of the fiscal year.~~ In the event the Contractor is unable to submit the an June invoice for reimbursement ~~prior to~~by July 10<sup>5</sup>th, the Contractor shall submit an accurate estimate of the year-end expenses to be invoiced for reimbursement to the Commission by July 10th. The complete June invoice, with supporting documentation, is due to the Commission by July 31st following the submission of an estimated invoice by the Contractor.~~ed by an invoice when completed and available.~~
- 502.5** All ~~outstanding year-end~~ invoices, not previously billed or paid during the period July 1st through June 30<sup>th</sup> of the previous fiscal year, for reimbursement must be received no later than September 30th. Invoices for the prior fiscal year that are received after September 30th may be rejected and not be paid. An affirming vote of the Commission is needed to pay any year-end invoices for reimbursement received after September 30th of the prior fiscal year.
- 502.6** Supporting documentation of all line item expenses must be included with the invoice submitted for reimbursement. The supporting documentation may include, but is not limited to, time studies, copies of payroll registers, General Ledger, checks, mileage logs and receipts. All expenses must have appropriate documentation in order to be reimbursed.
- 502.7** Invoices for reimbursement with incomplete supporting documentation may be returned to Contractor and not reviewed until sufficient supporting documentation is received.
- 502.8** Unallowable expenses include items such as:
- Alcoholic Beverages
  - Tobacco products
  - Firearms
  - Purchase of motor vehicles
  - Purchase of property
  - Late Fees/Finance Charges (i.e., credit card late fees)



- ❑ Fees for missed conferences or trainings
- ❑ Costs associated with fundraisers
- ❑ Food/refreshments for staff meetings
- ❑ Items requiring pre-approval by the Commission that have not been pre-approved
- ❑ Expenditures for Contractor staff including, but not limited to, stipends, bonuses, gift cards, food, or breakroom materials.

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

- 502.9** Prior to the start of the contract period, each Contractor must submit the Cost Allocation Plan supporting documentation to the Commission for each site included in the scope of work in the contract.
- 502.10** Changes in contact information for the Contractor must be submitted to Commission staff within seven (7) business days.
- 502.11** The Commission reserves the right to withhold payment of an invoice for reimbursement for non-compliance with the requirements of the Agreement.

## **Section 506 – Contract Budgets and Budget Revision by Contractors**

### **Policy:**

It shall be the policy of the Commission to require Contractors to establish, at the time a contract is signed, an estimated expenditure budget for the contract. Contractor is responsible for management and monitoring of monthly expenses and budget to avoid overspending. Expenditures made by Contractors are not to exceed 20% of any line item and are not to exceed the subtotal in the Personnel, Services, or Fixed Assets categories without a budget revision being submitted and approved by the Executive Director or his designee.

### **Procedure:**

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

- Fiscal Year Budget form – annual line item budget
- Budget Narrative - describe and substantiate the line item budget amounts, [including indirect rate to be used \(maximum indirect rate allowed without a federal letter is 10%\)](#)
- Personnel Worksheet – describe the full time equivalent of each staff member allocated to program

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

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

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

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

- Increases or decreases a line item by more than 20%

- Increases or decreases the subtotal of the Personnel, Services, or Fixed Asset categories

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

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

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