

**NORTHEAST FLORIDA HEALTHY START COALITION, INC.**  
**Financial Policies & Procedures**  
**Approved September 20, 2018**

## **I. Introduction**

The Northeast Florida Healthy Start Coalition, Inc. is a private, non-profit 501(c)(3) corporation located in Jacksonville, Florida. The Healthy Start Coalition leads the community effort to reduce infant death and improve the wellbeing of children, childbearing women, fathers and their families in Northeast Florida. The organization is funded by the state of Florida to establish and maintain a community-based prenatal and infant health care coalition that is comprised of persons representing the public, private sector, state and local government, providers, community alliances and maternal and child health organizations. It is charged with identifying the needs of its service area and devising and implementing a service plan to meet the identified needs pursuant to Florida Statutes.

The purpose of the Coalition's financial policies and procedures manual is to meet the requirements of federal, state, and local laws and regulations, and to provide timely and accurate information for management decisions. The Coalition follows Generally Accepted Accounting Principles (GAAP) for nonprofit organizations.

## **II. Organizational Structure**

### **The Role of the Board of Directors and Coalition Membership**

1. The corporation is governed by a Board of Directors, all of whom are citizen volunteers. It also has a volunteer membership representative of the five county area. The Board of Directors and Membership perform any and all duties assigned to them collectively or individually by statute, by the articles of incorporation and the Bylaws. The Board and Coalition Membership annually approve the corporation budget and enter into contracts or agreements with other organizations and agencies as may be deemed necessary to carry out the functions and purposes of the organization.
2. The Board and Membership also designate by resolution such officer or officers of the Board or its representatives to sign and countersign all checks, drafts, bills of exchange, notes or other obligations or orders for the payment of money.

3. The **Chair of the Board** the Chairperson shall preside over the meetings of the Coalition. The Chairperson shall also preside over the Board of Directors and the Executive Committee meetings. The Chairperson shall serve as the legal signatory for the organization.
4. The **Treasurer of the Board** is the Chief Financial Officer of the corporation and is responsible for: a) keeping or causing to be kept and maintained, adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, surpluses and deficits; b) assuring access at all reasonable times to any director or member of the general public upon request the books of account and financial records which the requestor has a right, by law, to access; c) render to the chairman and directors whenever he or they request it, an accounting of any or all of the transactions of the corporation and of the financial condition of the corporation; d) prepare or cause to be prepared, an audit and certification of the financial statement to be included in the annual report to the Board. He/she shall present at the annual meeting of the Board a report of the financial status of the corporation by written copy attached to the minutes of such annual meeting.
5. The **Finance Committee** has the responsibility of overseeing and approving the overall financial management of the corporation. The Committee shall review and approve the overall annual budget and monthly financial reports, and oversee and approve policies regarding staff salaries and benefits.

#### **The Role of the Chief Executive Officer and Staff**

1. The Board of Directors employs a **Chief Executive Officer** to manage the corporation and authorizes that person to employ other such staff for positions that have been authorized by the Board of Directors and membership to realize the objectives and purposes of the corporation.
2. The **Chief Executive Officer** carries out the purposes of the Corporation within the framework of the articles of incorporation, the Bylaws, the established Policies and Procedures of the Corporation and the general and specific assignments given to him/her by the Board.
3. The **Chief Executive Officer** is authorized to make and execute contracts in the ordinary course of business of the corporation as authorized by the Board (up to \$25,000), to execute other legal instruments authorized by the Board, except as otherwise expressly provided by law, by the article of incorporation, or Bylaws. Furthermore, supervises the agency's staff in accordance with the organization's personnel Policies and Procedures and is responsible for the enforcement of the financial management policies and internal control procedures as described in this document.

4. Responsibility for implementation and compliance with the corporation's financial procedures is shared by the Chief Accountant, Chief Program Director and Chief Executive Officer.

### **III. General Accounting**

1. The Coalition will maintain bank accounts as approved by the Finance Committee. The Coalition may also establish and maintain a line of credit as approved by the Finance Committee and Board of Directors.
2. The Coalition may maintain credit cards and overall credit limits as approved by the Finance Committee and Board of Directors which are assigned to management staff for business expenses.
3. The Chief Accountant is responsible for the day to day operations of the accounting function. The accounting principles and methods utilized by the Coalition in developing its financial statements are based on Generally Accepted Accounting Principles (GAAP) using an accrual basis of accounting and conform to the OMB Uniform Grants Guidance (Super Circular).  
<https://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>
4. Income for all programs will be cash monthly, including the income for the Healthy Start MomCare Network. It is understood however, due to the inconsistent information coming from the Healthy Start MomCare Network, that accruals for Medicaid billing may not always represent the actual billing for a particular month. Also, due to resubmissions of denied claims, some billings may represent activity from prior months or even the prior year.
5. Expenses generally are not accrued except at the end of the fiscal year, due to funder requirements. These include the State DOH contract and all federally funded programs. These funders require that financial reports and reimbursable expense claims be strictly on the cash basis, and will not accept expense accruals as part of their required reporting. Separate internal reports for these programs can be prepared on the accrual basis if requested by the Finance Committee or the Chief Executive Officer.
6. The Coalition maintains a detailed chart of accounts showing all revenue, expenses, assets, liabilities and equity accounts currently in use. All program budgets will be prepared in accordance with this chart of accounts for internal reporting purposes. All entries on the Coalition's accounts are supported by appropriate documentation as required by GAAP. The Coalition maintains original supporting accounting documents in its accounting office.
7. Financial statements are prepared monthly by the Fiscal Manager. The Chief Executive Officer, the Finance Committee and the Board of Directors review and accept these financial statements on a monthly basis.

8. An annual operating budget is prepared by the Coalition with input from all functional areas within the organization. This budget is presented to the Finance Committee and Coalition membership for approval at its June meeting.
9. The Chief Executive Officer authorizes asset write-offs and other significant account adjustments, after consultation with the Finance Committee.
10. A CPA certified in the State of Florida will conduct an audit of the financial statements each fiscal year. The results of this audit are to be provided to the Coalition Membership and those agencies as identified in Coalition contracts.
11. The Chief Accountant will insure that all allowable expenses incurred for each program during the agreement periods are appropriately charged to the correct agreement's funds.
12. All proposed budgets and budget revisions will be sent to the Chief Accountant for review prior to them being sent to the funding agencies for approval. This is to insure that all program budgets line up with the established chart of accounts and budget allocations.

## **IV. Cash Receipts and Disbursements**

### **Cash Receipts**

1. All mail is received, opened and date stamped each business day by the office Administrative Assistant or other assigned personnel.
2. All checks and any cash received will be logged by the Administrative Assistant into a spreadsheet file called Cash Receipts Log, or something similar (steps for handling donations will be covered later in the document). At the end of each month the Administrative Assistant will email this file to the Chief Accountant.
3. The Administrative Assistant will make a copy of each check and stub before detaching them and give to the accounting department.
4. The accounting department will scan all checks received into the check scanner for automatic deposit into the appropriate bank account.
5. Upon receipt of confirmation of the deposit, the accounting department will mark the checks "Deposited" along with the date, on the front of the check, preferably with a red ink pen.

6. In the event the check scanner is not working for an extended period of time, the accounting department fill out a deposit slip, make a copy of it and the checks and take the checks to the bank for deposit.
7. Any cash received will be logged into the Cash Receipts Log and given to the accounting department to record, place in safe and deposited no later than weekly. Amounts greater than \$100.00 should be deposited immediately and no later than next business day.
8. Each month the Chief Executive Officer or the Chief Programs Officer will review all bank statements, bank reconciliations and cleared checks. All bank accounts will be reconciled monthly.

## **Donations Received**

### **For donations received through the NEFHSC website:**

The receipt of donations through the website is managed by the Director of Development, using donations software. When donations are received the Director of Development will issue an acknowledgement letter and provide a monthly detail report (date, amount, donor, account) to accounting department for recording and reconciling.

### **For donations received by check:**

The Administrative Assistant will follow the normal process for receipt of checks as outlined previously. He / she will then give the accounting department and the Director of Development a copy of the check and related documentation. When the copy of the check is received by Director of Development s/he shall issue an acknowledgement letter and record donation in its donor system to be reported monthly to the accounting department.

### **For In-Kind Donations Received:**

The person receiving an in-kind donation shall record in tracking log and complete a Donation Form to give to the Director of Development to enter into the donor system to be reported monthly to the accounting department.

All donations received shall be entered in the Tracking Log maintained by the Administrative Assistant and entered into the donor system managed by the Director of Development. Official acknowledgement of all donations should be the responsibility of the Director of Development.

## **Cash Disbursements**

1. The Chief Executive Officer has the overall responsibility for all accounts payable and all disbursements at the Coalition that are made by check. All checks on the Coalition bank accounts are pre-numbered and are monitored to ensure that no sequential number is missing. Voided or spoiled checks are marked as such and are retained until the next independent audit. Unissued blank checks are safeguarded in a locked fireproof filing cabinet.
2. The Chief Executive Officer, the Chief Programs Officer, the Board Chair, the Treasurer and designated staff members are the only persons authorized to sign checks and draw upon the line of credit. All Coalition checks and withdrawals require two signatures from the above authorized signers. Coalition checks are only drawn to the order of specific payees and not to "Cash" or "Bearer."
3. All disbursements require proper written documentation and authorization prior to a check being generated. Program managers approve disbursements for their programs with final approval by the Chief Programs Officer and / or Chief Executive Officer required.
4. Allocation of expenditures is based on individual program budgets and requirements. General expenditures attributable to more than one program will be allocated based on Cost Allocation Plan (Attachment A) in accordance with OMB Guidance.
5. After checks are approved and issued, the individual supporting documentation will be marked PAID with the check number and date. All checks will be disbursed to the payees as described in the initial check request.
6. Gift cards - All gift cards purchased will be treated the same as cash with the exception being deposited into the bank. Therefore, all purchases will be logged on the Gift Card Log Form. The Gift Card Log must be completed when distributing Gift Cards to participants and/or staff.

## **Cash Balances and General Matters**

1. Authorization is required by the Board of Directors of the Coalition for opening and maintaining any bank account. Such authorization will be documented in the appropriate minutes of the Board.
2. The Chief Executive Officer or designated staff member will review the bank statements including the copies of cleared checks to insure that only authorized checks have cleared the bank. Any questionable items will be brought to the attention of the bank for investigation.

3. Monthly bank reconciliations will include examination of: signatures; endorsements; check number sequencing; deposits; bank charges; charge backs; and review of un-posted items from General Ledger to statement.
4. Any material bank reconciliation difference will be brought to the attention of the Chief Executive Officer and the Treasurer.
5. The Coalition will maintain interest and non-interest bearing accounts as required by contract or sound business practice. The Coalition will adhere to Generally Accepted Accounting Principles and all specific federal and state agency regulations as they relate to Coalition operations.

## **V. Purchasing, Expenses and Accounts Payable**

1. All purchases of goods and services will be recorded in the accounting system in the appropriate accounting period and properly classified.
2. Adequate records will be maintained to provide information regarding outstanding payables and payment due dates. Invoices will be scrutinized to avoid duplicate or improper payments.
3. All purchases of any type must be attributable to the business operations of the Coalition.
4. The Chief Executive Officer or the Chief Programs Officer will authorize all purchases.

### **Purchasing**

1. Coalition staff shall complete a purchase request form for all purchase requests and submit this form to the Chief Programs Officer. If approved, the Chief Programs Officer shall forward the purchase request form to the appropriate staff member who shall place the order with an approved vendor. The Chief Programs Officer shall maintain a copy of the purchase request form until items are received. Purchases requested by the Chief Programs Officer shall be approved by the Chief Executive Officer.
2. The office Administrative Assistant shall receive all ordered items at the Coalition and compare requested quantities with received quantities. Any discrepancies shall be resolved before forwarding the invoice for payment. The vendor invoice will be noted as received and checked by the office Administrative Assistant and then will be forwarded to the Chief Programs Officer for approval. Once approved, the invoice will be forwarded to the Chief Accountant for processing.

3. Competitive bidding processes required by any contract or program under which the Coalition is bound will be followed per requirements of that contract or program. The following competitive bidding practices will be followed in the absence of any such contract or program requirements:
  - a. Items under \$1,000 – no bidding required.
  - b. Items costing over \$1,000 but less than \$5,000-telephone bids from at least three vendors for the same or comparable goods.
  - c. Items costing over \$5,000 but less than \$10,000 – written bids from at least three vendors for the same or comparable goods.
  - d. Items costing over \$10,000 but less than \$25,000 – written sealed bids from at least three qualified vendors (if available) to be due by announced date and opened by more than one Coalition staff member or Board member. All bids will be documented as to when received and shall be initialed by the Chief Programs Officer and/or his/her designee as to time and date received.
  - e. Items costing in excess of \$25,000 – written sealed bids from at least three qualified vendors (if available) to be due by announced date and opened by more than one Coalition staff member or Board member in a meeting open to any interested bidder. All bids will be documented as to when received and shall be initialed by the Chief Programs Officer and/or his/her designee as to time and date received. In addition, a written specification is required to have been provided to all bidders. A bidder's meeting may or may not be conducted to explain the specifications. Any questions which vendors may have about the specification and which may be asked outside such bidder's meeting (if one is held) must be in writing, must be answered by the Coalition in writing and posted on the Coalition website in order to be accessed by all other bidders.
4. All items acquired by the Coalition with a value of \$1,000 or more with an expected life of more than one year shall be accounted for as a General Fixed Asset.
5. Consulting services must be approved by the Chief Executive Officer who will require all proposals to clearly state the cost, the scope of services, and a not-to-exceed amount for the services rendered. A member of the Board or Coalition membership shall not be employed as a paid consultant.
6. All independent contractors, including consultants, must complete an IRS Form W-9 upon signing any agreement for contracted services. The requirement to submit this form will be included in all independent contractor agreements, with the stipulation that this requirement must be met in order for the agreement to be valid. To avoid incorrect tax reporting, entry for payment of any consultant will not be made in the accounting system until the Form W9 is received by the Chief Accountant. The Human Resource Manager will use the "IRS 20 Factor Test" to determine if a person should be classified as an independent contractor or employee.



The Chief Accountant and accounting staff will not be held responsible for any payments made to contractors that are subsequently deemed to be employees by the IRS. NOTE: Conflict of Interest is described in the Policy and Procedure Manual.

7. The Coalition will utilize the purchasing program of the State of Florida to the extent possible for all purchases made under contracts of which this is a requirement. Where supplies and services are not available for such purchases through the state program, the Coalition will use best efforts to obtain such supplies and services for use in the contract at the lowest practical cost and to purchase by means of a system of competitive bidding (see above) whenever required by law and whenever practical, even if not required by law.

## **Expenses**

1. All requests for services and expense items will be made in writing to the Chief Programs Officer. If approved, the Chief Programs Officer will forward the requests to the Chief Accountant for processing. The Chief Programs Officer's expenses shall be approved by the Chief Executive Officer.
2. The Chief Programs Officer may issue corporate credit cards to appropriate staff members who may need to use such cards for Coalition business, travel expenses and/or other uses as authorized by the Chief Programs Officer. Non-business charges to the corporate card are not allowed and such unauthorized use will be subject to disciplinary action and loss of credit card privileges.
3. The accounting department will send a copy of the credit card statements to the credit card holders each month. The credit card holders will reconcile their statement with the receipts for the various charges, mark the programs and line items to be charged on the statement and return both to the Accounting Clerk within seven working days and the accounting clerk will verify as part of Accounts Payable.
1. All material refunds must be reviewed by the Chief Executive Officer or Chief Programs Officer and documented and recorded according to Generally Accepted Accounting Principles.
2. The Chief Accountant or accounting staff, as much as possible, shall monitor the payment cycles to maximize savings using discount periods.
3. The Chief Accountant or accounting staff, will schedule check printing and coordinate with the check signers, given their availability, to insure payments are made on a timely basis to avoid late charges.
4. Vendors shall be instructed to send all invoices for outlying locations to the main administrative office to expedite payment processing.

## **Accounts Receivable**

1. Payments to the Coalition over 60 days in arrears are considered late.
2. Payment due letters will be sent to all accounts over 60 days in arrears. The Chief Executive Officer must sign all such letters.
3. Payments not received after 90 days and for which at least two requests for payment have been sent may be sent to the agency's attorney to determine an actionable penalties in the contract and is referred back to the Executive Board for any further action.

## **VI. Financial Reporting/Filings**

1. The Chief Executive Officer in partnership with staff will ensure that all government filings are made on time.
2. Governmental filings include, but are not limited to, the following:
  - a. RT 6 – State of Florida Department of Labor and Employment Security, Division of Unemployment Compensation
  - b. W-2s for payroll with W-3 transmittal form
  - c. 990 Federal Tax Forms (IRS)
  - d. Form 2758 used to file for Extension of 990
  - e. 1096 used to file 1099 (for consultants over \$600)

## **VII. Independent Audit**

1. It is the policy of the Coalition to contract for an independent audit of agency records for each fiscal year.
2. The audit will be conducted by an independent CPA firm certified in the State of Florida which is selected by the Chief Executive Officer or Board of Directors, based on the recommendation of the Finance Committee.
3. The audit will be conducted on a timely basis with a complete report, if necessary, including a Management letter, which shall be submitted to the Coalition membership no later than its January Annual Meeting.
4. The audit shall relate to the guidelines and regulations of major funding sources as well as Generally Accepted Accounting Principles.
5. The Coalition staff shall make available financial records during the course of the fiscal year to permit preliminary work.

6. It shall be the responsibility of the Finance Committee to review the audit report, recommend approval to the full Board and provide direction to the Coalition staff regarding recommendations contained therein.
7. A copy of the final audit report will be sent to each funder per contract requirements.
8. OMB Grants guidance - <https://www.grants.gov/web/grants/learn-grants/grant-policies/omb-uniform-guidance-2014.html>

# **Attachment 1**

**Northeast Florida Healthy Start Coalition, Inc.**

## **Cost Allocation Plan**

*As Of July 1, 2018*

Northeast Florida Healthy Start Coalition, Inc.

Cost Allocation Plan  
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## **Section I – Background and System of Care Description**

The Northeast Florida Healthy Start Coalition, Inc. (NEFHSC) is a non-profit organization, qualifying under Code Section 501(C)(3). The main office is located at 644 Cesery Blvd., Ste. 210 Jacksonville, FL 32211. NEFHSC's mission is to establish and maintain a community-based prenatal and infant health care coalition that is comprised of persons representing the public, private sector, state and local government, providers, community alliances and maternal and child health organizations, that will identify the needs of its service area, devise and implement a service plan to meet the identified needs pursuant to Florida statutes on a continuing basis. The following programs are offered by the organization:

### **The Azalea Project**

The Azalea Project reduces risk-taking behavior in substance-abusing pregnant and parenting women. The project works to break the cycle of substance use and other at-risk behaviors. Azalea includes a Healthy Start component for pregnant women and a special case management program for high-risk non-pregnant women.

### **Healthy Families Jacksonville**

Healthy Families Jacksonville is a nationally-accredited family support and coaching program that helps parents provide the safe and stable environments children need for healthy growth and development. The evidence-based program is voluntarily and participants receive services in their home by specially-trained support workers. The Coalition serves families living in 25 zip codes with funding from the City of Jacksonville - Jacksonville Children's Commission.

### **Healthy Start**

Healthy Start is a free, voluntary program that provides referral information and support services for pregnant women and infants up to age 3 and their families. Services are tailored based on individual needs and include childbirth education; parenting information; Smoking cessation; and breastfeeding support and education.

### **Fetal & Infant Mortality Review**

The Fetal & Infant Mortality Review is an evidence-based program that looks at cases with the worst outcomes to identify gaps in services and promote future improvement. Each year, 28 fetal and infant death cases are reviewed. The Coalition began the initiative in 1995 and continues to carry it out with funding from the Florida Department of Health.

### **The Magnolia Project**

The Magnolia Project is a federal Healthy Start initiative that improves the health and well-being of women during their childbearing years (15-44 years old) in Jacksonville's Health Zone 1. The Project provides individual-, group- and community-level interventions for women before, during and after pregnancy.

**MomCare**

MomCare offers Medicaid-eligible women assistance in selecting a Medicaid Managed Care plan, guidance in selecting a prenatal care provider and information about state programs for which they may be eligible. MomCare is funded by the Agency for Health Care Administration (AHCA) and is managed locally by the Coalition.

**National Health Corps Florida**

The National Health Corps Florida is an AmeriCorps program that provides service opportunities to help meet unmet health care and health education needs in the region. Twenty-three members are placed each year at non-profits and government sites. The Coalition receives funding from the Health Federation of Philadelphia to administer the program.

**Nurse-Family Partnership**

The Nurse-Family Partnership is an evidence-based home-visiting model that is implemented within the Northeast Florida Healthy Start Coalition in Duval County. Services are provided to 200 high-risk, first-time mothers in Baker, Clay and Duval Counties. Specially trained nurses from the Florida Department of Health Duval and UF Health Jacksonville provide case management services to pregnant women and children up to age two. The program is funded by the Florida Maternal, Infant & Early Childhood Home Visiting Program.

**Responsible Fatherhood**

The Responsible Fatherhood initiative provides comprehensive services for dads and father figures in Northeast Florida. The needs of referred fathers are assessed and addressed through a three-tier case management system that includes group classes and a variety of community referrals, including financial literacy classes, employment assistance and fatherhood training. The program is funded by the Administration for Children & Families - Office of Family Assistance.

**Section II – Accounting System and Description**

NEFHSC follows standards of accounting and financial reporting prescribed for non-profit organizations. The Organization follows the accrual basis of accounting, which recognizes revenue when earned and expenses as incurred. Federal, State, and local government and public grants are recorded as support when performance occurs under the terms of the grant agreement.

Cash contributions are recorded in accordance with FASB ASC 958-605 which requires the Organization to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. Donated materials and services are recorded as contributions at their estimated value at the date of receipt.

The cost of providing the various programs and other activities are reported on the Statement of Functional Expenses. Salaries and other expenses which are associated with a specific program are charged directly to that program. Salaries and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided. Administrative expenses are allocated to the various programs based on allocations prescribed in this Cost Allocation Plan.

Allowable costs for NEFHSC are in compliance with the Uniform Guidance and are supported by documentation such as: paid invoices, payroll records, and approved methods for the application of direct and directly allocated costs in accordance with the cost allocation plan.

NEFHSC utilizes the accounting system Abila MIP to capture and report revenue and expenses and other financial activity. The chart of accounts is designed to allow for proper input of information and financial reporting. The account numbers consists of 9 digits with the following structure:

XXXX-XXXXY

1. Digits one (1) through four (4) are referred to the general ledger account number. The first digit in the sequence indicates what type of general ledger the account is:
  - a. 1 - Asset
  - b. 2 – Liability
  - c. 3 – Equity
  - d. 4 – Income
  - e. 5-7 – Expense
2. Digits five (5) through nine (9) are referred to as the fund code and represent the program & funding year.

Abila MIP includes modules for Accounts Payable, Contract & Other Accounts Receivable and Budgeting. Payroll is processed through Paycor, an independent payroll service.

All purchased fixed assets are recorded at cost where historical records are available and at estimated cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Generally, fixed assets costing more than \$1,000 and having a useful life of more than one year are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives, are not capitalized.

### **Section III – Purpose and General Statements**

The purpose of this cost allocation plan is to summarize, in writing, the methods and procedures that this organization uses to allocate costs to various programs, grants, contracts, and agreements.

Uniform Guidance establishes the principles for determining costs of grants, contracts and other agreements with the Federal Government. The NEFHSC Cost Allocation Plan is based on the Direct Allocation method described in the Uniform Guidance. The Direct Allocation Method treats all costs as direct costs, except general administration and general expenses.

Costs are separated into two basic categories: General administration and general expenses and other direct functions (including projects performed under Federal awards). Joint costs, such as depreciation, maintenance of facilities, telephone expenses, and the like are prorated individually as direct costs to each category and to each award or other activity using a base most appropriate to the particular cost being prorated (i.e., FTE or Square Foot).

Only costs that are allowable, in accordance with the cost principles, are allocated to benefiting programs by NEFHSC.



## Section IV – General Approach and Additional Information

The general approach of NEFHSC in allocating costs to particular grants and contracts is as follows:

- A. All allowable direct costs are charged directly to program, grants, activities, or contracts.
  - B. Allowable direct costs that can be identified to more than one program or cost pool are prorated individually as direct costs using a base most appropriate to the particular cost being prorated.
  - C. All other allowable general and administrative costs (costs that benefit all programs and cannot be identified to a specific program) are allocated to programs, grants, contracts using a base that results in an equitable distribution.
- This Cost Allocation Plan has been developed in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (also known as the “Uniform Guidance”).
  - The allocation methodologies contained in this Cost Allocation Plan have been developed on the basis of a beneficial or causal relationship between the expenses incurred and the receiving organizational units or programs.
  - Costs related to each activity are based on the current reporting month. All costs have been screened for allowable costs in accordance with the Uniform Guidance.
  - An adequate accounting and statistical system exists to support claims that will be made under the Cost Allocation Plan.
  - Costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of cost have been accounted for on a consistent basis.

## Section V – Allowable Direct Costs and Allocated Direct Costs

Allowable Direct Costs are costs that are identifiable to a particular cost objective, i.e. a specific contract code/funding source. Allowable direct costs are coded to the contract/funding source based on the actual expense.

Allocated Direct Costs include expenses that are directly allocated to more than one contract code/funding source and are allocated to each contract code utilizing the following allocation methods:

**Salaries** – This cost, when not directly identifiable to a specific contract, is allocated based on FTE which mirrors actual effort.

**Stipends, Fringe Benefits, Employee Leave, Employee Screening** – These costs, when not directly identifiable to a specific contract, are allocated based on FTE used to allocate salaries as noted above.

**Office Rent** - This cost, when not directly identifiable to a specific contract, is allocated to all programs/contracts utilizing a Square Foot allocation.

**Telephone, Internet, Supplies, Printing/Copying, Insurance, Repairs & Maintenance, and Dues & Subscriptions** – These costs, when not directly identifiable to a specific contract, are allocated to all programs/contracts utilizing an FTE allocation.

**Postage, Printing/Copying, and Leased Equipment** – These costs, when not directly identifiable to a specific contract, are allocated to programs/contracts based on actual utilization determined by usage reports.

**Travel and Staff Development/Training** – These costs, when not directly identifiable to a specific contract, are allocated to programs/contracts based on actual utilization as determined by travel expense reports.

**Depreciation** – The cost of depreciable assets is charged to the programs as a direct cost, either allowable or allocated, in line with the above methods. These charges are coded initially as supplies, then reclassified as fixed assets at the time of the annual audit. Depreciation is not allocated but is charged to a general fund not associated with any particular program.

## Section VI - Allocated Indirect Costs

Indirect costs are defined in the Uniform Guidance. Costs included in this include general administrative and general expenses such as those for executive officers and human resources.

Reporting Unit	Allocation Method
Executive Office	Total Expenses
Human Resources & Quality/Risk Management	Total Expenses
Accounting	Total Expenses
Marketing	Total Expenses

**Executive Office** – Provides executive leadership, program oversight, program development, and policy direction. The costs of this department are allocated to programs based on the percentage of its expenses to total program expenses.

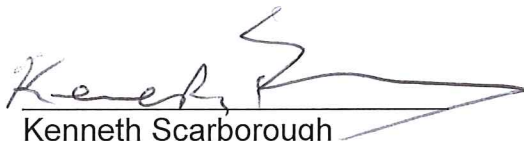
**Human Resources & Quality Assurance / Risk Management** – Provides oversight and management for personnel policies and practices within the organization including hiring, background screening, employee orientation, employee benefits, staff development, compensation, personnel actions, terminations, and compliance with labor laws. Creates management policies and procedures, reviews incident reports, files insurance claims, identifies and prevents risk, and provides risk management education to staff, processes payroll using an independent payroll service. The costs of this department are allocated to programs based on the percentage of its expenses to total program expenses.

**Accounting** – Responsible for all accounting activities including accounts payable, accounts receivable, income and expense recording and internal financial reporting. Prepares expense reports to funders based on their reporting requirements. Analyzes program statements to account for over and under budget items. The costs of this department are allocated to programs based on the percentage of its expenses to total program expenses.

**Marketing** – Responsible for public relations and public awareness of the organization. This includes branding, social media presence, web site maintenance and oversight of printed materials. Also oversees all fund raising activities and works with other organizations and individuals to develop corporate sponsorships and donations. The costs of this department are allocated to programs based on the percentage of its expenses to total program expenses.

Approved by the Coalition Finance Committee Date: 9/19/18

Approved by the Coalition Board of Directors Date: 9/20/18

  
Kenneth Scarborough  
Chair

9/20/18  
Date

  
Faye Johnson  
Chief Executive Officer

9/20/2018  
Date

First Revision: 01-17-13  
Second Revision: 01-15-16  
Third Revision: 09-20-18

Current original signed copy on file at NEFHSC Office at 644 Cesery Boulevard,  
Suite 210, Jacksonville, Florida 32211.