Early Learning Coalition of Manatee County

Disbursement Policy

This Policy replaced the Financial Management Policy in 2016

Policy Sections

- Alignment with Federal Regulations, State Statutes and Rules
- Invoice Processing Policy Disclosures and Controls
- Allowability of Costs
- Use of Purchase Orders
- Use of Vouchers
- Use of Credit Cards
- Travel

Purpose

This policy seeks to establish a consistent disbursement process that is in accordance with federal and state laws, regulations and rules, as well as good business practices. Following disbursement methods as set forth in this policy enables the Coalition to comply with grant guidance and maintain fiscally sound disbursement controls.

Scope

This policy defines the process for disbursing all dollars for goods and services at the Early Learning Coalition of Manatee County (the Coalition), including adherence to sound ethical practices.

Ethical Conduct

Ethical business standards shall govern all disbursement transactions. Disciplinary action for those violating ethical business standards will be taken in accordance with applicable policy, up to and including the termination of employment.

I. Alignment with federal regulations, state statutes and state rule requirements

A. State and Federal Instructions

The Coalition's policies and procedures will comply with the following federal and state laws, Regulations and rules:

1. See Chapter 60A – General Regulations
2. Section 215.422, F.S. – Payments, warrants and invoices; processing time limits; dispute resolution. agency or judicial branch compliance
3. Section 287.058, F.S. – Contract document
4. Rule 60A-1.002, FAC – Purchase of commodities or contract services
5. Chapter 69I – Division of Auditing and Accounting
6. Compliance with Rule 69I-24, F.A.C. – Payment of Vouchers by State Warrant
7. Compliance with Rule 69I-40, F.A.C. – Bureau of Auditing invoice requirements
8. DFS Reference Guide for State Expenditures
9. CFO Memo No. 01 (July 2021) Contract and Grant Related Payment Information
10. CFO Memo No. 02 (July 2021), Reference Guide for State Expenditures
11. CFO Memo No. 4 (July 2021), Guidance on all Contractual Service and Grant Agreements Pursuant to Section 215.971, F.S.
12. CFO Memo No. 05 (July 2021), Contract Monitoring and Documenting Contractor Performance
13. CFO Memo No. 20(July 2021), Compliance Requirements for Agreements
14. CFO Memo No. 25 (Aug 2023), Contracts with Non-Profit Organizations as Defined in Section 215.72(2)(m), F.S.
15. CFO Memo No. 06 (2011-12), Contract Monitoring and Documenting Contractor Performance
16. PUR 1000 and 1001
17. Division of Early Learning (DEL) Program Guidance PG 250.01, Other Cost Accumulator (OCA) Working Definitions
18. DEL Annual Grant Agreement Exhibit I for Specified Prohibited Costs
19. 45 CFR 75 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

II. Appropriate and adequate invoice processing policy disclosures [69I-40.002(3), F.A.C.

1. Contractual service invoices submitted by a vendor/contractor/service provider for payment processing must clearly identify, at a minimum, the dates of services, a description of the specific

contract deliverables provided during the invoice period and the quantity provided, and the payment amount specified in the agreement for the completion of the deliverable(s) provided.

2. Cost reimbursement invoices must reflect the expenditures incurred by expenditure category.
3. Required information may be submitted on the invoice or in a report format along with any other information required by the terms of the agreement.
4. Written certification, from the contract/grant manager, that services were performed in accordance with the contract terms must be obtained and kept in entity files. [s. 287.057(14), F.S.]

III. Appropriate and adequate invoice processing controls [69I-24.003, F.A.C.; CFOM No. 06 (2011-12)]

1. The Coalition will receive deliverables and provide written certification of such before payments are made.
   a. Approval and inspection of goods or services shall take no longer than 5 working days unless the bid specifications, purchase order or contract specifies otherwise. [s. 215.422(1), F.S.]
   b. Terms and conditions must be specified and must accompany the request for payment to evidence delivery of goods and services. "If it isn't documented, it didn't happen."
   c. Coalition must ensure that deliverables were received on time and as intended (i.e. met performance measures) before release of payment is approved and processed.
      1. May use a Contract Summary Form
      2. May use a written certification from the assigned contract manager on the invoice
      3. May use a Deliverable Tracker – track deliverables schedule
      4. May use a Deliverable Acceptance Form to help document
2. The Coalition will ensure invoices have adequate documentation and are processed on a timely basis.
   a. Documents for goods and services are date stamped.
   b. Invoices to DEL shall be paid according to s. 215.422, F.S, and Rule 69I-40.002(1), FAC, which governs time limits for payment of invoices (reimbursement requests). The ELC shall submit monthly reimbursements requests for allowable expenditures no later than twenty-five calendar days following the last day of the previous month.

   c. Review invoice for accuracy and completeness of the following details. [69I-40.002, (3) F.A.C.]

      1. Description of the item(s).

2. Number of units.
3. Cost per unit.
4. Service dates coincide with invoice period.
5. Minimum level of services has been provided.
6. Amount invoiced coincides with the terms/conditions

d. Verify any required supporting documentation has been submitted.
e. Review documentation to gain reasonable assurance that commodities/contractual services have
f. been satisfactorily provided within the terms of the contract/agreement.
g. Complete any additional processes required by ELC policy.
h. Certify the entity's receipt of goods/services.
i. Invoices shall be paid according to state rules for Prompt Payment Compliance.

1) Section 215.422(3)(b), F.S., requires interest to be paid to the vendor if payment is not issued within 40 days after receipt of the invoice and receipt, inspection, and approval of the goods and services.
2) DFS does not require agencies to pay interest penalty invoices of less than $1.00 unless the vendor asserts his right to the interest penalty payment either orally or in writing.

3. Enforce terms and conditions [s. 287.057(14)(b), F.S.; DFS-related contract manager guidance]
   a. Entity staff assigned contract/grant management duties are required to work with the contractor/vendor to ensure that goods/services are received as intended and contract/agreement terms are enforced.
   b. Use performance bonds when appropriate.
   c. Verify financial consequences are addressed.
   d. Verify terms for liquidated damages are included (when applicable) to compensate the entity for any losses realized.

4. For disputes about receipt of goods/services [s. 215.422(8), F.S., Payments…disputes]
   a. The entity will have written procedures and instructions for staff.
      i. Invoices may be prorated or withheld according to the financial consequences established in contract/agreement.
      ii. Partial or prorated payments must be made based on the deliverables that can be validated and supported by adequate documentation.

b. If no financial consequences are included in the contract/agreement OR documentation can't be provided, the payment should be withheld until the issue is resolved or a settlement is reached.
c. Inform staff of settlement agreement process.
    1) Used when the amount owed to a provider/contractor is in dispute.
    2) A lengthy and potentially expensive process the Coalition will not be able to complete alone; legal counsel will be required.
    3) Required for many situations including
        a. To settle a lawsuit, damages or legal fees.
        b. Absence of an executed agreement.
        c. The agreement was executed after services were rendered.
        d. Additional services not included in the agreement were provided

IV. Establishment of controls for other disbursement procedures

The Coalition's policies and procedures will comply with the following federal and state laws, regulations and rules:

State and Federal Instructions

1. 60A-1.016 F.A.C., Contract and Purchase Order Requirements
2. DFS Reference Guide for State Expenditures
3. DFS State Travel Manual
4. CFO Memo No. 06 (2016-17), Guidance for Travel restrictions imposed by Ch. 2016- 62, FL Law
5. CFO Memo No. 02 (2014-15), State of Florida Purchasing Card Program Convenience fees/Surcharges
6. DEL annual grant agreement Exhibit I for specified prohibited costs such as entertainment costs, directly or indirectly pay for food, lobbying costs and property purchases.
7. 45 CFR 75 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
    a. 2 CFR 200.302, Financial Management Systems
    b. 2 CFR 200.302(7), Financial management systems – allowability of costs
    c. 2 CFR 200.303, Internal controls
    d. 2 CFR 200, Subpart E – Cost Principles

8. DEL Program Guidance Files
    a. Program Guidance 440.10 – Office of Early Learning Match Reporting Guidance
    b. Program Guidance 240.01 – Cash Management Procedures
    c. Program Guidance 240.04 – School Readiness Funds Management
    d. Program Guidance 240.05 – Guidance on Prior Approval Procedures
    e. Program Guidance 240.06 – Reimbursement Request Requirements for ELCs
    f. Program Guidance 250.01 – Other Cost Accumulators (OCAs) Guidance

Disbursement controls are in the place for the following:

V. Written procedures for allowability of costs – required contents [2CFR Part 200.302(7)]

See Accounting and Financial Policies and Procedures Manual, Allowability of Costs

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

See Accounting and Financial Policies and Procedures Manual, Use of Purchase Orders

VII. Use of credit cards/purchasing cards [2 CFR Part 200.302, Financial management systems; 200.303, Internal Controls]

See Credit Card Policy

VIII. Use of Vouchers

The Coalition does not currently use vouchers, however if used in the future, the following disclosures will be followed:

- Minimum recommended voucher policy disclosures
    a. Staff prepares reconciliations to voucher logs maintains adequate supporting records for disbursements and employee reimbursements made by voucher.
    b. Management periodically reviews staff members authorized to make purchases by voucher.
    c. Management periodically reviews purchase activities and employee reimbursements made by voucher to ensure these purchases are allowable and

are not being split to stay below established spending thresholds.

d. An independent review and approval process is in place (potentially including a governing board member/audit committee) for purchases made by members of the management team.
e. Management periodically reviews and updates instructions as needed.
f. Vouchers are not used to routinely circumvent compliance with normal requisitioning transactions.

- Minimum recommended voucher policy elements
  a. Prohibited transactions
  b. Due dates for supporting documentation
  c. Supporting documentation requirements
  d. Periodic reports to management

IX. Travel [2 CFR Part 200.302, Financial management systems; 200.303, Internal controls; DFS Reference Guide, DFS State Travel Manual; s. 112.061, F.S. Per diem and travel expenses of public officers, employees, and authorized persons; and CFO Memo No. 06 (2016-17)]

Related Information

- **Class A&B Travel Policy and Local Travel Policy**
- **Accounting and Financial Policies and Procedures Manual**
- **Credit Card Policy**