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Fiscal and Compliance Orientation
State Fiscal Year 2015-2016

July 22, 2015

Presented by Francesca Isabelle, Fiscal Officer and Angela Simmons, Fiscal Compliance Officer

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Fiscal Due Dates for 2015-2016 *(*Dates Subject to Change)*

- Invoices must be submitted within 45 calendar days of end of month. Monthly invoicing expected after 1st invoice.
- **January 15, 2016*** Mid-year budget adjustments begin
- **March 31, 2016*** Final day to make a budget revision request (beyond 25% cumulative budget revision threshold)
- **June 15, 2016*** Accounts Payable (AP) Estimates due
- **June 30, 2016** - FY2015-16 funding ends
- **August 15, 2016 -** Final invoice for FY2015-16 due **Change no or blank field to YES** in "Final Invoice" box on invoice form. Final check will not be mailed until annual report is received.

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Regulations and Policies

General Provisions

Regulations your agency is required to know and abide by:

- Office of Management and Budget Circulars and the Common Rule for Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, as applicable.

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- Hatch Act
  - Prohibits use of federal funds for partisan political purposes of any kind
    - 5 U.S.C. 1501-1508 and Public Law 95-454, Section 4728
- Davis-Bacon Act
  - Fair wages in accordance with local market conditions for laborers and mechanics employed by contractors and subcontractors
    - 40 U.S.C. 3141-3148
- Nondiscrimination on basis of race, color, national origin, age or disability
    - 42 U.S.C. 6101 *et seq.*, 42 U.S.C. 2000d and U.S.C. 794

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- Americans with Disabilities Act
- Equal employment Opportunity
- Uniform Relocation Assistance and Real Property Acquisition Act
- Federal Acquisition Streamlining Act of 1994
  - Prohibits use of federal money to lobby the legislative body of a political subdivision of a State
    - Section 2101, Public Law 103-355
- Health Insurance Portability and Accountability Act of 1996 (HIPAA)
  - Must comply if your agency is a covered entity
    - 42 U.S.C. 1320d – 1320d-8

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- If agency expends $750,000 or more in federal funds in a fiscal year from all sources, an A-133 annual audit is required
  - Submit a copy of audit report to CDPHE's Internal Audit Office within 30 calendar days of receipt, or 9 months of end of fiscal year (whichever is earlier)
  - Take corrective action within 6 months of report to address any noncompliance issues

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- SB 07-228
  - Requirements for monitoring performance under state contracts and tracking related information in CMS
  - Increased contract monitoring measures
  - Final contractor performance evaluations
  - Establishment of statewide CMS with public interface

- CDPHE Policy
  - Ongoing contract monitoring by program and fiscal staff
  - Contractor performance evaluations

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Special Provisions

- Address required Colorado State Controller approval, fund availability, governmental immunity, compliance with law, prohibition of software piracy, conflict of interest, and exclusive employment of individuals who are lawfully present in the U.S. and authorized to work in the U.S.

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Additional Provisions – Funding & Billing Information

- CFDA number and federal funding source (if applicable), details on State funding mechanism and purpose of funding
- Allowable reimbursement period
- Requirement for Reimbursement
- Budget Revisions

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- Program-specific Federal and State Regulations
- HIPAA Business Associate Determination
  - Indicates whether State has deemed the contractual relationship with your agency to constitute a Business Associate relationship under HIPAA
  - In most instances, your agency will not be considered a Business Associate
- Program-specific requirements
- Funding adjustments

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Fiscal Reminders about your FY 16 contract

Cost reimbursable contract

- Before requesting reimbursement from CDPHE, Grantees must:
- Incur the cost –Goods/services need to be received and paid (i.e. you may request reimbursement for a training paid in advance after the training happens, not at the time of paying the registration)
- Perform work associated with the cost (if applicable)
- Also applies to subgrants.

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Important Fiscal Guidelines

- Contractor shall notify the State of a change of the Project Director or Principle Investigator (within 30 days of change)
- Contractor shall submit monthly reimbursement invoice forms
- Invoices must be submitted within 45 days from end of each month
- Invoices should list line items as approved in the budget.
- A blank standardized invoice can be found at https://www.colorado.gov/pacific/cdphe/standardized-invoice-form-and-links listed as CDPHE STANDARD Reimbursement invoice Form.

Standardized Invoice Form

Expenditure Details Page-Enter Data Here

For detailed instructions, Contact your CDPHE program.

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EXPENDITURE DETAILS for REIMBURSEMENT INVOICE FORM
https://www.colorado.gov/pacific/cdphe/standardized-invoice-form-and-links

Invoice #	
FEIN	
Purchase Order/ Encumbrance #	
Payment Option	☐ EFT/Direct Deposit - Must be set up* ☒ Mail Reimbursment Check to Remit Address

Organization Name		
Invoice Period		
Final Invoice		

To:	Colorado Dept of Public Health and Environment	From:	0
CDPHE Program:		Contact Name:	
CDPHE Contact:		Remit Address:	
Mail Code:			
Address:	4300 Cherry Creek Drive South		
City:	Denver	City:	
State:	CO	State:	
Zip Code:	80246	Zip Code:	
Fax:		Fax:	
Telephone:		Telephone:	
Email:		Email:	

Expenditure Categories				Match or In-Kind (If Applicable)	Total Amount Requested from CDPHE
Personal Services	Gross Earnings for invoice period	Fringe	Percent of Actual Time on Contract/ Purchase Order		
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
Totals - This line shows total salary / fringe with the % applied	$0.00	$0.00			
			Total Personal Services (including fringe benefits)	$0.00	$0.00

Cover - Print for Submission

You are not able to enter information into this form. Complete the expenditure details form only. It is the first tab in this workbook. The information entered into the Expenditure Details form will automatically populate this form. Follow instructions provided by your CDPHE program to complete the Expenditure Details form and submit the invoice.

Colorado Department of Public Health and Environment
REIMBURSEMENT INVOICE FORM

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Invoice Period:	01/00/00	To	01/00/00
Invoice #:	0		
FEIN:	0		
PO/Encumbrance #:	0		
Final Invoice:	0		
Payment Option:	2	Mailed Reimbursment Check	

To:	Colorado Dept of Public Health and Environment	From:	0
CDPHE Program:	0	Contact Name:	0
CDPHE Contact:	0	Address:	0
Mail Code:	0		0
Address:	4300 Cherry Creek Drive South		0
City:	Denver	City:	0
State:	CO	State:	0
Zip Code:	80246	Zip Code:	0
Fax:	0	Fax:	0
Telephone:	0	Telephone:	0
Email:	0	Email:	0

Expenditure Categories	Total Amount Requested from CDPHE
Personal Services including Fringe Benefits	$0.00
Supplies & Operating Expenses	$0.00
Travel	$0.00
Other Costs	$0.00
Contractual (payments to third parties or entities)	$0.00
SUB-TOTAL BEFORE INDIRECT	$0.00
Indirect	$0.00
TOTAL THIS INVOICE	$0.00

To be Signed by Contractor/Vendor

I/We affirm the claimed expenses comply with the budget provisions of the contract and are reasonable and necessary, that all relevant progress or other reports have been filed, and all contract milestones and/or tasks related to the invoice period have been achieved.

Print Name, Title & Sign — Date

To be Signed by CDPHE Program Director or Delegate(s)

I/We affirm that I or my staff have reviewed the contractor / vendor's invoice and supporting documentation, if required, progress reports and other communications with the contractor/vendor, and believe to the best of my knowledge, that the contractor/vendor is in compliance with all contract provisions.

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Standardized Invoice

A Pre-populated budget template will be provided to each grantee

- Each invoice must have a unique identifying number (e.g., AgencyJul15) (12 characters or less)
- Submission method is by email to your program contact.
- A regular monthly invoice is expected. This is comprised of 2 documents:
  - Expenditure detail form (Excel tab: Enter data here)
  - Reimbursement cover page(Excel tab: Print for submission)
    - Requires a signature

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- The project billing period is July 1, 2015, or upon execution through June 30, 2016

- Each agency should have a mechanism in place to track expenses related to this contract separately from all other expenses the agency incurs.

- State and federal rules mandate that contractors may NOT bill a contract for any expenses that occur outside the contract period.

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Monitoring and Fiscal Compliance

DO NOT submit source documentation with invoice unless requested to do so.

- Local Public Health Agencies – FRMS – None required by PSD
- Non Local Public Health Agencies – 1 to 4 times a year
- Based on results of objectively scored Risk Assessment Questionnaire and prior contract performance
- Minimum number of annual source documentation requests based on assigned risk:
  - Low risk - full backup source document review is required once in a contract year. Plus an annual site visit or desk review;
  - Medium risk - full backup source document review is required twice in a contract year. Plus an annual site visit or desk review;
  - High risk - full backup source document is required four times in a contract year. Plus an annual site visit or desk review.
- Rationale and procedures. Most common findings and compliance actions

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Compliance Guidelines for Most Common Findings

Suspended and Disbarred List – Check prior to subcontracting

Disclosures of information not authorized under HIPPA or FERPA

Lack of documentation sufficient to support expenditures. Submit anything that will help us understand your process.

Time and Effort Requirements

- When employees work on and are charged to multiple projects, the employees must fill out timesheets/personal activity reports detailing time worked on each project. The activity report must account for 100% of the employee's time.
- You must use actual salary, fringe, and time percentages to determine your personal costs for each invoice. Salary and wages must be an after the fact determination, based on actual time and effort and supported by timesheets/ personal activity reports. DO NOT use budget estimates to prepare your invoices (e.g., 1/12 method).
- Employees working 100% on a single cost objective may certify time and effort.
- These records should not be sent to CDPHE until requested. They will be reviewed during source documentation reviews, desk reviews, or site visits.

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Invoicing Process

In-Coming invoice

- Program Contact

  Receives in-coming invoices and budget revisions

Out-Going Correspondence

- Fiscal Contact

  Contacts you with questions/discrepancies

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Budget Flexibility

- Agencies are authorized to transfer funds on Direct Costs from one line item to another line item in their approved budget up to a maximum of 25% without prior approval if the change is reasonable, necessary, allowable and within the scope of the contract.

- When the cumulative changes of your approved CDPHE funding exceeds 25% of total direct costs, a formal written budget revision request is required.

- Agencies may not transfer more than 25% of cumulative budget changes on CDPHE total direct costs until a written Budget Revision Request Form has been submitted to and approved by their program and fiscal contacts at CDPHE.

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Budget Revisions

Initiate process by contacting your Program Coordinator when:

- Changes to the budget are approaching 25%
- Question on whether an expense is reasonable or allowable
- Adding a budget category (Travel, Personal Services, Operating, Contractual)
- Must have a budget category “open” to expend against it. When creating your budget, open the line!
- Expenses must be “reasonable, necessary, allocable and allowable”

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- Adding a **subcontractor-** This requires an MOU or an agreement before entering into a contract.
- Opening a major category for Contracts or Personnel Services, may require the review of the contract scope of work and a contract amendment. This will increase the amount of time required to obtain approval.
- Budget revisions are not retroactive.
- CDPHE will not reimburse for expenses in excess of 25% per budget category without prior approval.
- Budget Revision requests may be submitted at least 90 days prior to the end of the contract period, this is approximately March 31, 2016 (may require an amendment).

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Budget Major Line Items

Contracts budget includes major budget categories, called Major Line Items. These may include:

- A. Personal Services including Fringe Benefits
- B. Supplies and Operating Expenses
- C. Travel
- D. Other Costs
- E. Contractual
- F. Indirect

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Budgets: Major vs. Minor Line Items

Within each Major Line Item, there are detailed Minor Line items

Example:

	Original Budget	Planned Budget	Cumulative Changes	
PA	$10,000	$20,000	$10,000	
NP	$20,000	$40,000	$20,000	
NP	$10,000		$13,000	$ 3,000
Total Personnel	**$40,000**	**$73,000**	**$33,000**	
Lab Tests	$10,000	$ 2,000		
Educational Materials	$5,000	0		
Medical Supplies	$30,000	$10,000	.	
Total Operating	**$45,000**	**$12,000**		
Total Direct Cost	**$85,000**	**$85,000**	**$33,000**	

Total direct costs $85, 000 x 25%= $21,250
Total cumulative changes= $33,000

Compare the 25% total direct cost to the total cumulative changes. This example NEEDS A BUDGET REVISION prior to incurring expenses.

- On the example to the left, Total Personnel and Total Operating constitute Major Line Items.
- All other budget lines constitute Minor Line Items.
- This is important because it may help you determine when your cumulative changes are approaching the 25% budget revision threshold.

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Fiscal Monitoring (IMPORTANT)

- If agencies do not historically spend their funding, this may impact their future award amount. Agencies' expenditure pattern will be monitored in order to align the agency award amount and the spending pattern to fully and appropriately utilize funding. This means that agency funding may be unilaterally reduced.

- If contractor indicates full expenditure of funds by February 28 of each grant year and the full expenditure does not occur, CDPHE has the option to unilaterally reduce current or upcoming contract funding by said amount or a percent deemed reasonable by CDPHE.

- When a contractor voluntarily reduces the award during the mid year budget review period, CDPHE will reallocate unspent funds without any penalties to the contractor.

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FY16 Close Out

Accounts Payable

- CDPHE will accrue all financial obligations (invoices not paid) not met by June 30.

Final Invoice

- Enter “yes” in the appropriate field on the standardized invoice form when submitting the final invoice for FY16, ending June 30.
- Identify the invoice as final in the email
- Due on or before August 15th

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Food and Meal Requirements

- Contracting agencies are required to steward state and federal money, using it in the most effective ways possible.
- Food at staff meetings is not an allowable cost. There are a few circumstances where purchasing food/drink is an allowable cost, for example, food for outside stakeholders tied to an event or conference may be an allowable cost.
- Food and meal costs will be subject to close scrutiny.

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Indirect Cost

- Follow your budget, if indirect was approved you may bill for indirect costs.

Subcontractors Monitoring

- Work may be performed using subcontracts with other providers or collaborative partnerships with other community partners
- Requires prior written approval from Program Manager
- Relationship and roles must be formalized with a MOU or other binding contractual agreement
- Subcontractor(s) must adhere to all requirements of the contract
- Your agency must maintain records of subcontracts for at least three years
- Your agency must monitor all subcontractors to ensure they are providing goods and services per agreements

Gift Cards

Mileage tracking records

Payments made in advance-when to request reimbursement

Sample Cost Ledger

Detail object categories are listed

Submit only the Reimbursement Request Form and the cost ledger generated from your agency accounting software

11:56 AM

11/10/09

Accrual Basis

Account QuickReport

August 12 through November 5, 2009

Type	Date	Num	Name	Memo	Amount
6900 · Site Expenses -All					
6919 · TGYS Grant					
Check	9/1/2009	1126		site supplies	556.82
Check	9/10/2009	1135		Site supplies, coordinators/club leade...	119.98
Check	9/10/2009	1136		site and training supplies	39.05
Check	9/10/2009	1137		training expenses	65.31 √
Check	9/29/2009	1145		site and training supplies	59.71 √
Check	9/29/2009	1149		bin labels	11.49
Check	10/20/2009	1154		site and training supplies	26.81 √
Total 6919 · TGYS Grant					870.17
Total 6900 · Site Expenses -All					870.17
TOTAL					**870.17**

Expenditure detail

Date, transaction, check or voucher number should be part of the report.

If the cost ledger includes expenses that are more than the requested reimbursement, ensure that reimbursement information on the form can be easily identified when looking at the cost ledger.

Budget Revision Request Form

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PREVENTION SERVICES DIVISION- BUDGET REVISION FORM

Contractor Name		Program Contact Name, Title, Phone and Email	
Contract Period		Fiscal Contact Name, Title, Phone and Email	
Contract/Encumbrance Number		Project Name	
		Effective Date of Budget Revision	

Expenditure Categories		Budget Totals		
Personal Services		ORIGINAL BUDGET	REVISED BUDGET	VARIANCE
Position Title/ Employee Name	Justification for Revision			
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
	Total Personal Services (including fringe benefits)	$0.00	$0.00	$0.00
Supplies & Operating Expenses		ORIGINAL BUDGET	REVISED BUDGET	VARIANCE

Any Fiscal or Compliance Questions?

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