



EFFECTIVE: 07/01/2009

## FINANCIAL REPORTING GUIDELINES

### REPORTING

Reporting for Fiscal Year 09-10 is performed on a quarterly basis or as the Commission requires. Service Providers shall submit a quarterly financial report and a disbursement list or check register reflecting all disbursements prior to reimbursement. The report and supporting documentation shall be received no later than the 30th day after the end of a fiscal quarter, or as the Commission requires. The report shall be in a form approved by the Commission. Final year-end invoices are due 30 days after the end of a fiscal year (i.e., due date is July 30th).

### LATE REPORTS

Final year-end invoices submitted 45 days after the end of the fiscal year (June 30) will have a five (5) percent penalty imposed on the final invoiced amount. SERVICE PROVIDER may submit a written appeal of the penalty to the COMMISSION if there were extenuating circumstances that prohibited the timely submission of the invoice, however the COMMISSION retains the exclusive right to decide whether to waive the penalty or not. A request for appeal must be submitted to the assigned Program Officer on agency letterhead.

*Service Providers who habitually (more than twice) submit late reports (Financial & Program) will not be eligible to receive advance payments.*

### INCORRECT REPORTS

Incomplete or inaccurate reports will not be accepted. Service Providers and their finance staff will be notified via email of any discrepancies or errors that require immediate attention. The report is considered complete when the supporting documentation is attached (e.g. General Ledger, Transaction Report, Budget Register, etc.), and corresponds to the invoice/report. Equipment purchases over \$500 must include the actual or copy of the original invoice and packing slip or receipt for reimbursement. An incomplete and unsatisfactory report is also considered “late” and will delay future payments (e.g. advances) to the Service Provider.

*Service Providers who habitually (more than twice) submit incorrect reports (Financial & Program) will not be eligible to receive advance payments.*

### SUBMISSION REQUIREMENTS

The Commission requires an original signed financial report, with supporting documentation, either mailed or hand-delivered to:

**First 5 Fresno County  
ATTN: Financial Department  
550 E. Shaw Ave., Suite 215  
Fresno, CA 93710**

In addition, financial reports are to be submitted electronically to the assigned Program Officer. A report will be considered “late” if the signed original is not received by **3:00pm** on the due date.

### REVIEW CRITERIA

Commission staff will review the Financial Report for timeliness and completeness. If the report is on time and complete, it is approved and given a received date. If a report arrives incomplete it will be returned to the Service Provider requesting the missing documentation.

### **PAYMENTS**

Compensation shall be based upon actual costs as described in the Service Provider's fiscal year budget. Commission will reimburse Service Provider for all necessary and reasonable expenses incurred in accordance with the project budget for providing the services on behalf of the Commission. Reimbursement will not be made for any expense that are not in accordance with the project budget and/or is determined to be a supplanting of funds.

### **ADVANCE PAYMENTS**

Any provider seeking the release of funds prior to incurring expenses (i.e. advance payments) under the contract should make such a request in writing on company letterhead, specifying the reason(s) advance payments are needed. All requests for advance funding will be subject to the approval of the Executive Director or Designee of the Commission, based on the nature of each project and the needs of the provider. In order to be considered for advance payments, Service Providers must be in good standing regarding compliance with contractual requirements (e.g., timely and accurate reporting, appropriate spending pattern, and meeting programmatic objectives). If at the end of the contract (i.e. contract end date) the provider has not utilized/spent any amount of the funds advanced, the provider shall return that amount to the Commission.

Typically, 25% of the fiscal year budget is made available for advancement. The Commission may exceed this amount given reasonable justification. However a cash advance will not exceed 50% of the maximum amount allowed under the contract. Subsequent advances will not be released until 75% of the previously advanced funds have been expended and reported. Please note that the final quarter advance will only be two-thirds of the advance amount. The last month of the fiscal year is on a reimbursement basis only.

*Contact your designated finance staff regarding your status.*

### **DISBURSEMENTS**

Providers formally request reimbursement for services by submitting an invoice (Financial Report) that compares actual expenditures to the project budget. Service Providers are required to include with the invoice an expenditure report/documentation. Acceptable expenditure report types are:

- General Ledger Report
- Budget Register Report
- Transaction Activity Report
- Actual Invoices and Receipts w/Proof of Payment

Payments of invoices are contingent upon compliance with all contractual requirements, including the achievement of performance standards and the timely submission of program and fiscal reports.

The release of funds is approved by both program and finance staff. The Program Officer verifies that satisfactory progress has been made toward project objectives, as determined by the Commission's performance monitoring and reporting system. The Finance Officer verifies that all reported expenditures are allowable under the terms of the contract.

**WITHHOLDING PAYMENTS**

Program Officers are responsible for overseeing contractor performance. Hence they have the authority to request that the Commission withhold payment should the Service Provider be deemed out of compliance.

**DUE DATES**

**09/10 FINANCIAL REPORT DEADLINES**

<b>1<sup>st</sup> QUARTER</b> <b>Financial Report Due: 10/30/09</b>
<b>2<sup>nd</sup> QUARTER</b> <b>Financial Report Due: 1/29/10</b>
<b>3<sup>rd</sup> QUARTER</b> <b>Financial Report Due: 4/30/10</b>
<b>4<sup>th</sup> QUARTER</b> <b>Financial Report Due: 7/30/10</b>

**\*Service Providers that report on a monthly basis, invoice (Financial Report) are due 30 days after each month.**



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## BUDGET GUIDELINES

### FISCAL YEAR BUDGETS

Budgets are to be submitted each new fiscal year to reflect the total contract amount including all available dollars in a multi-year contract or projected renewal amounts. In order to minimize payment delays, please follow these guidelines:

1. Budgets must be submitted on a form approved by the Commission. The most current template is available on the Commission's website, [www.first5fresno.org](http://www.first5fresno.org).
2. The budget should reflect the total contract amount providing actual expenses and projected budget amounts for each fiscal year.
3. A narrative justification and delineation of changes must be provided via email and/or company letterhead.
4. Submit a revised Scope of Work or explain why there is no impact to the Scope of Work.
5. Submission shall be made electronically to the designated finance staff.
6. Fiscal Year Budget must be submitted timely enough to have the request processed and approved by the following deadlines:
  - Service Provider must submit the Fiscal Year Budget to the **Finance Department Designee by July 15, 2009.**
  - Final approval will be determined by **July 31, 2009.**
  - Notification of final approval will be sent directly to Service Provider's by **August 14, 2009.**

### BUDGET MODIFICATIONS (AMENDMENTS)

Budget modifications are accepted in the following manner: Typical contracts that have a July 1, start date the process below applies. For those contracts that do not have a July 1, start date will have the opportunity to modify their budget 3 months after the start of the contract or 3 months before the contract end date. The process for submitting a request for a modification is as follows:

1. The Service Provider must submit the **Contract Amendment Request** to the designated Finance staff stating that a budget modification is necessary. The request is due no later than **December 1, 2009.** The Contract Amendment Request form can be located on the Commissions' website. The request must meet the following criteria for approval:

- a. The request will be reviewed as to how the proposed modifications may impact the intent of what was originally funded. If any of the information is incomplete the request will be denied.
  - b. Budget modifications are required prior to any line items (Personnel, Operating Expenses, Professional Services, Evaluation, Capital, Equipment, and Indirect) exceeding \$5,000 for contracts that are over \$250,000 and 10% of any line item for contracts under \$250,000. Changes within sub-line items (Salaries, Benefits, Payroll Taxes, Operational Expenses, Travel/Training, Misc. Charges, and Program Expenses) do not require a budget revision.
  - c. Requests must be submitted **prior to expenses being incurred** allowing the Commission to determine its appropriateness and minimizing any disallowed costs to the Service Provider.
2. The Finance and Program staff will review the Contract Amendment Request form for initial consideration.
    - a. **If accepted the First 5 budget and scope of work template(s) as appropriate will be e-mailed to the Service Provider by December 4, 2009.**
  3. The revised template(s) must be submitted to the designated Finance staff by **December 15, 2009.**
  4. Final approvals will be determined by **December 31, 2009.**
    - a. If the request is approved, the corresponding forms and database are updated accordingly (e.g., scope of work is updated in the Persimmony system, revised financial invoice is issued to Provider, etc.)
  5. The Service Provider will be notified in writing if approved or denied by **January 15, 2010.**

**DUE DATES**

**09/10 BUDGET DEADLINES**

<p><b>1<sup>st</sup> QUARTER</b>  <b>Fiscal Year Budget Due by: 07/15/09</b></p>
<p><b>2<sup>nd</sup> QUARTER</b>  <b>Budget Amendment Requests Due by: 12/1/09</b>  <b>Budget Amendment Template(s) Due by: 12/15/09</b></p>
<p><b>CONTRACTS WITH START DATES OTHER THAN JULY 1, 2009</b></p> <p>Contracts that do not have a July 1, start date will have the opportunity to modify their budget 3 months after the start of the contract or 3 months before the contract end date.</p>