



Policies and Procedures Manual

First 5 Yuba County Children and Families Commission

Last Revised: August 27, 2020

PROGRAM OVERVIEW

The following is the Yuba County Commission's vision statement for the local Proposition 10 program:

“All Yuba County children are healthy and thriving in safe and nurturing family environments and ready to succeed in their educational experiences.”

To implement this vision, the Commission uses funds generated by a \$.50 per pack tax on cigarette products to contract with local organizations to provide a range of services for young children, families with young children, and providers who work with them.

The services provided align with the Commission's four result areas:

- 1. Improved Family Functioning: Strong Families**
- 2. Improved Child Development: Children Learning**
- 3. Improved Child Health: Healthy Children**
- 4. Improved Systems of Care: Community Collaboration**

This Policy and Procedure Manual is a guide for Contractors and Commission staff as they implement the Commission's vision through the execution of program contracts.

REFERENCES

Proposition 10 Statues, California Health and Safety Code – Section 130100-130155
California Cigarette and Tobacco Product Tax Law – Chapter 2, Section 30131
California State Controller's Standards and Procedures for Audits of Local Entities
Yuba County Code of Ordinances- Chapter 4.45

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OPERATIONAL POLICIES (100-199)

Section 100 - Amending these Policies and Procedures

1. POLICY:

A standard process shall be used to amend these policies and procedures of the Commission.

2. PURPOSE

The purpose of this policy is to ensure the Commission keeps their policies updated and maintain compliance.

3. PROCEDURE:

The executive director and Commission staff will develop drafts of new or revised policies and procedures. The drafts of the new or revised policies and procedures shall be forwarded to the appropriate committee(s). The appropriate committee(s) will review the drafts submitted and take one or more of the following actions:

- Approve and forward to the Commission for its consideration.
- Approve with additions, deletions or corrections, and forward them to the Commission for consideration.
- Forward to the appropriate committee.
- Recommend further review of the draft.

Section 101- Use of Commission Logo

1. POLICY:

Contractors and partnering organizations are required to use the Commission's name and logo on all printed materials, promotional information, products, etc., that are funded by the Commission.

2. PURPOSE

The purpose of this policy is to stipulate guidelines for the use of the Commission's name and official logo on documents and publications produced by Commission grantees and partnering organizations.

3. PROCEDURE:

Commission contractors/partners must adhere to the following:

- Contractors and partnering organizations shall use the Commission logo on printed materials, promotional information, products, etc. and must receive prior approval from the Commission's executive director or designee prior to the final printing or production of the product.
- Organizations that use the Commission logo are required to submit samples of the final product to the Commission for their information and potential use.
- The following language, or something very similar, is to be included on all printed materials, promotional information, products, etc., funded by the Commission:
- This program is made possible by a grant from the First 5 Yuba Commission.”
- “This program is made available through a grant from the First 5 Yuba Commission.”
- “This program is made available through a partnership with the First 5 Yuba Commission.”

Section 102 - Annual Review of Strategic Plan

1. POLICY

Annually, the Commission shall conduct a review of the progress made towards implementing its strategic plan and shall consider changes to the plan made necessary by changing conditions. This review shall include monitoring compliance with the California Children & Families Commission Act of 1998.

2. PURPOSE

In accordance with Section 130140 (a) (1) (C) (iii) of the California Health and Safety Code and County Ordinance Code Chapter 4.45.120.

3. PROCEDURE

3.1. Annually, a review of the Commission's strategic plan shall be scheduled by the Executive Committee on the agenda of a regular or special Commission meeting. At the appointed time and place, the Commission will conduct a review of its strategic plan. Part of the review will be an assessment of the Commission's continuing compliance with the "California Children and Families First Act of 1998". This program compliance review can best be accomplished as a part of the Commission's annual review of its strategic plan.

3.2. Before adopting changes to the strategic plan, the Commission will hold a public hearing to accept public comments. Following adoption of strategic plan revisions, the revised plan shall be sent to the County Board of Supervisors.

3.3. When appropriate, the Commission can anticipate and identify the method which will be used in accordance to its contracting and procurement policies in order to implement the strategies.

Section 103- Confidentiality

1. POLICY:

The Commission and Contractor staff responsible for client information must protect the privacy of clients, whether in conversations, in handwritten, typed or printed documents, or electronic data. Contractors that provide direct client services shall develop and maintain procedures that prohibit access to client data by anyone not authorized to use such data. (See also Health and Safety Code Section 130140.1(3) (1).)

2. PURPOSE

The purpose of this policy is to provide guidance for the Commission staff, Commissioners and Contractors related to protecting the privacy of clients receiving Proposition 10 funded services.

3. PROCEDURE:

Contractor and Contractor's staff shall adhere to state and federal standards of maintaining the security and privacy of client's records. It is the Contractor's responsibility to periodically review any other standards that may apply to its programs. Contractor shall ensure that staff are properly trained and aware of confidentiality procedures and shall ensure that equipment and procedure are adequate to protect the security of records.

3.1 Confidentiality policies developed by Contractor shall address the following subject:

- The process used to identify staff members authorized to view, enter, or change personally identifiable client data
- The definition of what constitutes a legitimate interest to access confidential records
- The process used to ensure all records are updated when changes are made
- Confidentiality measures to be taken when confidential information is obtained or conveyed orally, in writing, by fax, phone or email.
- Security measures for files materials
- Security measures for electronic materials

3.2 Violations of a client's confidentiality information and records may be grounds for contract termination and may expose the violator to civil or criminal penalties.

Section 104 - Commission Records Retention and Destruction

1. POLICY

This policy sets forth the guidelines and procedures pertaining to the retention and destruction of Commission records. Commission records shall be retained in full compliance of applicable law and the records retention schedules in this policy. No public record shall be disposed of except in compliance with this policy and applicable law.

2. PURPOSE

The purpose of this policy is to provide guidance for the efficient, effective and economical management of information and to allow the Commission to establish and maintain control over information flow and administrative operations.

3. PROCEDURE

Commission Records includes any writing containing information relating to the conduct of the Commission's business prepared, owned, used, or retained by First 5 Yuba Commission or its staff, regardless of physical form or characteristics. Retention, purging, and destruction of records shall be permitted only in compliance with the requirements of the Public Records Act and other applicable codes or regulations. All finance-related documents and data will be retained and maintained following generally accepted accounting principles and standards set forth by independent auditors.

3.1. The Executive Director or designee will monitor the procedures for this policy.

3.2. Documents to be retained, including agreements and contracts, records for grantees, funded awarded contracts and non-funded grant and contract applicants, solicitation materials, outreach effort documentation, proposals from all bidders, and monitoring documentation, shall be retained for a minimum of three (3) years after either 1) the termination date of the grant/contract OR 2) the date the final audit of the grant/contract is completed.

3.3. Commission staff shall attempt to maintain complete files in an easily accessible location to facilitate review of all documents relating to particular contract or grant.

3.4. Each record category will be evaluated based upon its administrative, operational, fiscal, legal, and historical value to determine appropriate retention period. The following records retention schedule has been developed based on this evaluation. For each category the schedule identifies the following:

- Record description: identifies the type of record to be retained.
- Retention period: establishes the period of time which the document must be retained.

3.5. The retention period is indicated by alphanumeric codes. The retention codes are used to indicate the retention period and the length of time (expressed in years) the record must be maintained. The retention code has two components:

The alpha code represents when the retention period begins:

- Au** After Audit
- T** Termination of employment or termination of contract or grant
- P** Permanent (soft/e-copy)
- FY** Fiscal Year

The numeric code represents the length of time (in years) that records must be kept after the retention period begins. For example, a retention code of Au+3 means that a record’s retention period begins after completion of the audit and must be kept for three (3) years thereafter.

3.6 Retention Schedule:

Record Description	Retention
All general financial statements, reports, ledgers, check registers, compliance materials, data, and other accounting records	Au + 7
Commission meeting agendas and minutes, resolutions	P
Commission reports: comprehensive annual financial reports, audit reports	P
Contracts/agreements for funded or awarded contracts and grants, non-funded grant and contract proposals, bids, applications, review tools, solicitation materials, outreach effort documentation, monitoring documentation, audit reports, administrative files.	T + 5
Deposit permits, accounts payable expenditure vouchers and invoices, budget work papers, journal vouchers	Au + 7
Employee files, payroll records	T +1
Inventories	FY + 5
Voice recordings of meetings	FY + 5

ADMINISTRATIVE POLICIES 200-299

Section 200 - Intended Use of Funds

1. POLICY

It is the policy of the Commission to support local not-for-profit organizations, family-care homes, community-based organizations, faith-based organizations, schools, and government programs by making funds available for services and/or projects for children zero through five years of age. This may include but not limited to pregnant moms/expectant dads, children up to their 6th birthday, and/or parents/guardians with children zero through five years of age, and/or siblings of children zero through five years of age.

2. PURPOSE

In accordance to parameters set in state law, and the policies of the State Commission, First 5 Yuba originally known as the Yuba County Children and Families Commission, is charged with the responsibility of administering these funds for the County. The statute governing these tax revenues provides great flexibility to counties in structuring local commissions, and in developing local policies and procedures for allocating and distributing the funds.

3. PROCEDURE

3.1 All Commission request for proposals, contracts and all sub-contracts negotiated by its contractors will be developed under this policy.

3.2 The Commission, standing committees, and/or executive director are responsible for implementing and executing this policy by developing request for proposals and contracts consistent with this policy.

3.3 The Commission may purchase direct services to children zero through five years of age and their families, or for educational services, promotional and educational materials, public awareness campaigns, real property, and/or other capital improvements, and/or to make capital investments such as building new facilities, or purchasing other durable equipment for long term use, as long as that use is consistent with the goals of the statute.

3.4 The Commission may choose to invest funds in a variety of financial products in order to generate more revenue for the future, when it is anticipated that funds will diminish.

3.5 The Commission may consider using funds to leverage other fund sources, including state, federal, and private foundation sources, as long as that use is consistent with the goals of the statute.

3.6 The commission must be able to demonstrate that certain outcomes have been met as a result of funding decisions made.

3.7 The commission must conform to audit guidelines appropriate to its structure as provided by the state.

3.8 The commission must conform to its own by-laws, and its own policies, once established.

Section 201 - Supplantation

1. POLICY

It is the policy of the Commission to supplement an existing level of service through expansion (increased participation), enhancement (improvement or enrichment), or the provision of new services and not to supplant existing levels of service funded by state or local general funds. Under difficult economic circumstances the Commission may consider funding levels of service funded by state or local general fund dollars only if the proponent demonstrates Proposition 10 funds will improve or supplement the quality or quantity of service. The Commission shall have the discretion to redefine existing levels of service.

2. PURPOSE

In accordance with Cigarette and Tobacco Product Tax Law, Section 30131.4, (a) All moneys raised pursuant to taxes imposed by Section 30131.2 shall be appropriated and expended only for the purposes expressed in the California Children and Families Act, and shall be used only to supplement existing levels of service and not to fund existing levels of service. No moneys in the California Children and Families Trust Fund shall be used to supplant state or local General Fund money for any purpose.

3. PROCEDURE

3.1 The Commission definition of the statutory language is defined below:

- Supplant is defined as replacing one source of funds with a different source, so that the original source of funds can be conserved or used for another purpose.
- Supplement is defined as enhancing the quality and/or increasing the quantity of an existing level of service through the addition of funds to the funds already being used to provide the existing level of service.
- Existing level of service is defined as the level of service being funded at the time the applicant makes a request for funds from the Commission, or the level of service which had been funded by other sources during the immediately-preceding fiscal or program year, as defined by the previous funding source.

3.2 The prohibition on supplanting does not make reference to privately funded or federally funded programs. Therefore, the prohibition applies only to services currently funded by state or local general funds.

Section 202 - Conflict of Interest Code

1. POLICY

It is the policy of the Commission when considering matters, Commission members who have a financial interest or a conflict, as defined by law, or appear to have a financial interest or conflict, are to abstain from discussions and votes on the matter.

2. PURPOSE

In accordance with the Political Reform Act, Government Code Section 81000 et seq., and California Health and Safety Code Section 130140(d)(4)(A) which requires the Commission to adopt a conflict of interest code for its members.

3. PROCEDURE

The Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations, Section 18730, containing the terms of the Standard Conflict of Interest Code. The terms of this Code, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated into the Commission's policies by this reference.

Under the provisions of the Standard Code, designated employees shall file Statements of Economic Interest on a form commonly known as "Form 700". Listed below are the disclosure categories:

- Category 1: All sources of income, interest in real property and investments and business entities located in or doing business in Yuba County.
- Category 2: Investments and business positions in business entities and sources of income which provide services, supplies, materials, machinery or equipment of the type utilized by the Commission.
- Category 3: Consultants shall disclose, as set forth in Category 1, subject to the following limitation. The executive director may determine in writing that a particular consultant, although a "designated position", is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such a written determination shall include a description of the Consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. Such determination shall be a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

In recognition that the Commission is administered by a seven-member policy making body with an executive director, the following employees and others constitute the designated and disclosure categories described in the State Code.

Designated Positions	Category
Commissioners	1
Executive Director	1
Attorney	2
Consultant(s)	3

At the time a matter comes before the Commission in which a Commissioner has a financial interest or a conflict, or when it appears a Commission member has a financial interest or conflict, the Commission member is to so inform the Chair of the Commission. Unless otherwise advised by Counsel, the member should abstain from discussions and votes on the matter. It is the practice of the Commission that when Commissioner recuse themselves, they leave the meeting room during the length of the agenda item.

A commission is prohibited from entering into a contract if:

- (a) The contract or grant directly relates to services to be provided by a commissioner or an entity the commissioner represents, or the contract or grant financially benefits a commissioner or the entity he or she represents, and
- (b) The commissioner fails to recuse himself or herself from making, participating in making, or attempting to influence a decision on the grant or grants.

Commissioners will file their statement of economic interest with the Commission's executive director. The executive director will keep the statements on file in Commission offices.

Section 203 - Purchasing and Payables

1. POLICY

Recognizing that not all of its provisions are applicable to Commission operations, the County of Yuba's purchasing and procurement policies shall be the purchasing and procurement policies for the First 5 Yuba Commission. In which all purchases must be consistent with the Commission's strategic plan and no individual may authorize purchases on behalf of the Commission unless he or she has been specifically delegated authority by this policy, state law, or other act of the Commission.

2. PROPOSE

In accordance with Section 130100-130155 of the California Health and Safety Code; Article 7 (commencing with Section 54201) of Chapter 5 of Part 1 of Division 2 of Title 5 of the Government Code; Chapter 2 (commencing with Section 2000) of Part 1 of Division 2 of the Public Contract Code; Section 3410 of the Public Contracts Code; and Chapter 3.5 (commencing with Section 22150) of Part 3 of Division 2 of the Public Contract Code.

3. PROCEDURE

3.1 The Commission shall utilize informal selection procedures as outlined in this section or provide written justification for failing to do so for all purchases of supplies and services between \$2,500 and \$15,000. Purchasing requirements shall not be artificially divided so as to constitute a small purchase or to maintain purchase amounts within authority levels.

3.2 The Commission gives the executive director the authority to authorize purchases for supplies and services up to \$15,000 or as specifically and previously budgeted by the Commission. Chair approval is required if the individual purchase is more than \$1,000 or the aggregate cost of services from a single vendor is more than \$2,500. Commission approval is required if the individual purchase is more than \$2,500 or aggregate cost of services from a single vendor is more than \$5,000.

3.3 The procedure for an informal selection process does not require public notice and includes requesting at least three bids, quotes or proposals for supplies or services in writing and the executive director will ensure that purchasing records and written records of quotes received are maintained and made available for compliance and audit purposes.

Section 204 - Contracting and Procurement

1. POLICY

Recognizing that not all of its provisions are applicable to Commission operations, the County of Yuba's purchasing and procurement policies shall be the purchasing and procurement policies for the First 5 Yuba Commission. In which all contracts and grants must be consistent with the Commission's strategic plan and no individual may contract on behalf of the Commission unless he or she has been specifically delegated authority by this policy, state law, or other act of the Commission.

2. PURPOSE

In accordance with Section 130100-130155 of the California Health and Safety Code; Article 7 (commencing with Section 54201) of Chapter 5 of Part 1 of Division 2 of Title 5 of the Government Code; Chapter 2 (commencing with Section 2000) of Part 1 of Division 2 of the Public Contract Code; Section 3410 of the Public Contracts Code; and Chapter 3.5 (commencing with Section 22150) of Part 3 of Division 2 of the Public Contract Code.

3. PROCEDURE

The Commission shall utilize formal competition procedures as outlined in this section except as provided in 3.1.3 of this section, for all contracts, grants and purchase in excess of \$15,000. All contracts for services and grants in excess of \$2,500 require Commission approval. The Commission gives the executive director the authority to negotiate, execute and amend contracts as approved by the Commission and/or its policies.

3.1. Provider Selection

There are essentially two ways to select providers: (1) conducting a request for proposals process and (2) selecting a "sole source" provider through an alternate process that is publicly disclosed. Other methods include request for qualifications, intent to negotiate, request for information, and contract renewal.

3.1.1. *Request for Proposals (RFP)*

Staff will develop the RFP, with general policy direction from the Commission as needed. All RFPs should be approved by the Commission prior to release. All RFPs should be sent to inquiring and relevant parties, posted on the Commission web site, and advertised in newspapers of general circulation in the county.

The RFP should include the following elements:

- A scope of work
- Practical and policy information
- Selection criteria and process
- Date and time schedules
- Notice of payment terms or restrictions
- Requirements that prospective applicants must address or include in their proposal.

Reference to the chapter on Contracting in the First 5 Association Financial Management Guide may be utilized for more information on RFPs.

The Commission shall hold a workshop to allow applicants with an opportunity to ask questions and obtain a clearer understanding of the requirements in the RFP. This opportunity for clarification can help increase the quality of RFP responses.

Before releasing the RFP, the Commission should develop and finalize a scoring evaluation plan. The Commission should evaluate proposals using some variation of the following process:

1. A proposal review committee is formed of persons with knowledge or expertise in the field. The proposal review committee can be comprised of internal staff, Commissioners, community members, or some combination thereof.
2. The executive director shall accept proposals and eliminate those that failed to complete the proposal package.
3. All reviewers are asked to sign a standard conflict of interest form and to remove themselves from the committee if a conflict is presented.
4. Staff shall develop a scoring matrix for each proposal that will provide consistency and guidance for rating responses.
5. The executive director or other designated agent shall make a final recommendation to the Commission based on the results of the scoring matrix.
6. Final approval of the award rests with the Commission.

3.1.2. Request for Qualifications (RFQ)

An RFQ is used when a Commission has specific requirements as to how services are to be delivered. In an RFQ, the applicant demonstrates their qualifications to provide those services according to the model that the Commission has specified. In addition, the Commission asks applicants to demonstrate their knowledge of, and commitment to, the specified model.

In contrast, an RFP is used when the specific service area is known and specified by the Commission, but the specific methods for providing the services are determined by each applicant, in a proposal format. Each applicant proposes their own method/model of providing services, and the Commission selects the one it feels will be most successful.

3.1.3. Sole Source Procurement

Sole source procurement should only be used when competitive procurement procedures are deemed infeasible for at least one of the following reasons:

- There is only one viable provider of the required service in the community.

- After solicitation of a number of sources, competition is determined to be inadequate.
- All local providers of a particular service will receive funding.
- The Commission is contemplating an effort that has not previously been done in the community and is therefore unable to either develop an RFP with sufficient specificity or to identify potential providers.
- The Contract is below a specified dollar threshold, as established by the Commission.
- The contractor or vendor is familiar with the Commission and is knowledgeable of its unique needs.
- In the event of a local, state or national declared emergency or natural disaster and when goods or services are necessary to further the purpose of the Act or for the protection of the COMMISSION's personnel or property and time is of the essence. The situation must meet the criteria of being an emergency or have a direct impact on health and safety of children, prenatal through 5 years of age or COMMISSION personnel.
- State or County Contract - The COMMISSION may contract with the State or County when the COMMISSION or the Executive Director determines that it is in the best interest of First 5 Yuba.

Whenever sole source procurement is used, the rationale must be fully justified in writing and approved by the Commission or its designated agent (e.g., executive director) before a contract is signed. The documentation justifying sole source procurement should include the following:

- The effort made to solicit competitive bids or proposals, if any.
- A summary outlining the reason for the sole source, based on the allowable exceptions set forth above.
- Cost information in sufficient detail to support and justify the cost of the contract as reasonable and fair.
- Cost information for similar services and differences that should be noted and explained.
- Special factors affecting the cost under the contract.
- An explanation of why the Commission believes the cost is appropriate.
- A description of the contractor or vendor's previous work with the Commission and/or existing knowledge of the unique needs of the Commission.

3.1.4. *Intent to Negotiate*

This is a form of sole-source procurement that has been used successfully by First 5 Commissions to fulfill the unique mission of the Proposition 10 initiative. The Commission may select providers by engaging in community-based planning

efforts in which stakeholders come together for the purpose of identifying specific needs and the providers best able to meet those needs. These meetings may result in an “intent to negotiate” with potential service providers. If this method of selecting sole-source providers is used, the dates and times of these meetings should be advertised well in advance and all potential providers must be invited to participate. Funds should not be awarded during these meetings. The natural bias toward competitive procurement should apply; any exceptions should adhere to the guidelines outlined in this procedure.

3.1.5. Request for Information (RFI)

For cases in which a new effort is initiated and no apparent service providers exist, or where the Commission is not able to prepare an RFP, the Commission may elect to issue an RFI. The RFI should contain a description of the need to be met and/or results to be achieved and invite responders to provide approaches to meeting needs or achieving results. The RFI may or may not request a price.

3.1.6. Contract Renewal

Contract renewal options differ depending on the type of award. Contracts with time-limited terms must reapply for funds. In contrast, other contracts have time-limited terms, but are assumed to renew if the program continues in the commission’s strategic plan and performance requirements are met.

Contracts that are assumed to renew still go through a performance requirement review, typically annually, prior to release of funds for following years. To be eligible to renew, a contractor must have complied with Commission’s required reporting responsibilities, must be making expected progress in meeting the program’s scope of work, performance outcomes and must be meeting the general requirements of the contract’s term and conditions. Multi-year contracts shall also go through an annual review to ensure these criteria are met.

The Commission will ultimately approve whether or not a new selection process is needed or if it is in the Commission’s best interest to renew the contract. The Executive Committee shall review all contracts six (6) months prior to expirations and provide the Commission a recommendation for approval.

3.2. Scoring/Evaluating of Proposals

The proposal review committee shall use a scoring matrix for each proposal that will provide consistency and guidance for rating responses. In developing criteria for scoring/evaluating proposals, by whatever means a contract is awarded – RFP, sole source, or otherwise – the Commission should use the principles outlined in the First 5 Association Financial Management Guide and the Yuba County Purchasing and Contract Policy Manual.

Conflicts of interest within the review committee are likely to occur during the review process. The Commission members, Commission staff, or reviewers shall to review a list

of grant applicants and indicate those applicants for which they have a direct, indirect, or appearance of conflict of interest. The Commission's policies are consistent with the following state laws: Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code; Article 4.7 (commencing with Section 1125) of Chapter 1 of Division 4 of Title 1 of the Government Code and Chapter 7 (commencing with Section 87100) of Title 9 of the Government Code.

Awards shall be made according to the type of solicitation and requirements set forth in the solicitation.

3.3. Notification and Appeals

Once a decision has been made, the Commission will notify all applicants in writing of results of the formal vendor selection process. As a courtesy, the notice may offer unsuccessful applicants the opportunity for a de-briefing after the contract has been awarded. In a de-briefing, Commission officials will explain to the unsuccessful applicant the rationale for the decision. The notice may also outline the appeals procedures. Upon receipt of a timely and proper appeal, the Commission or its designee will investigate the appeal and provide a written response to the applicant within a reasonable time. If a response cannot be provided within a reasonable time, the vendor will be notified.

Reference to the chapter on Contracting in the First 5 Association Financial Management Guide may be utilized for more information on notification and appeals.

3.4. Contracts

Every contract document should identify the contracting parties and include four major elements: (1) scope of work, (2) contractor payment, (3) contract term, and (4) terms and conditions. Each element must be clearly defined in every contract so that the Commission's needs are met and the Commission and the contractor understand their performance obligations.

3.4.1. *Scope of Work*

The contract should:

- Clearly define performance, outcomes, and/or interagency linkages to be achieved.
- Identify the performance measures to be used to evaluate contract compliance.
- Identify project milestones as well as any service deliverables or tasks for which the contractor is responsible.
- Address the possible conditions that may arise during performance of the contract that would trigger additions or deletions to the scope of work, schedule, or consideration.
- Address how the activities contained within each contract are consistent with the Commission's strategic plan. This can be done via cross reference to the strategic plan.

- Additional descriptive information may be attached to the contract as an exhibit to help define the scope of work. This information often includes outcome measures and reporting guidelines.

3.4.2. Contractor Payment

The schedule to submit billing invoices by contractors should be noted. It is the preference of the Commission to only fund direct project cost, however contractors who receive funding of direct costs through the formal selection process, may apply up to a 10% indirect cost rate for those activities or services that benefit more than one project.

Reimbursement of indirect costs is subject to negotiation, availability of fund, statutory and administrative restrictions, and the approval of the Commission.

3.4.3. Contract Term

Time is usually a critical element in every contract. The schedule of when work shall be started and completed should be included in the contract. If applicable, interim dates for the completion of specific portions of the contract should also be stated. Contracts should also have time-limited terms and scheduled performance reviews to assist the Commission determine whether or not a new selection process will be needed at the end of the contract. If applicable, a schedule of the contractor's stewardship for the funds awarded after the contract term has ended or the funds are exhausted should be included.

3.4.4. Terms and Conditions

Contract terms and conditions must be somewhat flexible to suit the needs of the Commission and the specific contract circumstances. It is the responsibility of authorized Commission staff to ensure that contract terms and conditions are appropriate to the type of contract being awarded.

Reference to the chapter on Risk Management of the First 5 Association Financial Management Guide may be used for more information on insurance and indemnification.

Certificates of insurance should be received from the contractor or be verified as current and on file with the Commission prior to the beginning of any work, unless the executive director has approved a request for extension. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. Contractors shall maintain insurance coverage that is appropriate to their business operations and the nature of the work.

The Commission has determined the following kinds and levels of insurance requirements for its standard contractual agreements.

- a) General Liability. Provider shall maintain and provide the Commission with proof of a commercial general liability insurance policy in the amount of one

million dollars (\$1,000,000) per occurrence (\$300,000 if family child care provider) and one million dollars (\$1,000,000) aggregate (\$300,000 if family child care provider).

- b) Automobile. Where the services to be provided under this Agreement involve or require the use of any type of vehicle by the Provider in order to perform said services, the Provider shall also maintain and provide the Commission with proof of a comprehensive business or commercial automobile liability coverage including non-owned and hired automobile liability in the amount of one million dollars (\$1,000,000) or if family child care provider personal automobile insurance in the amount of \$100,000 per person, \$300,000 per accident, and \$100,000 property.
- c) Worker's Compensation. If required by California law, Provider shall also maintain worker's compensation insurance in accordance with California law, and employer's liability insurance with a limit of no less than one million dollars (\$1,000,000) per occurrence.
- d) Professional Liability of not less than one million dollars (\$1,000,000) as appropriate to the service being rendered, including coverage for medical malpractice, error, and/or omission.
- e) Said policies shall remain in force through the life of this Agreement and shall be payable on a "per occurrence" basis unless the Commission specifically consents to a "claims made" basis. Additionally, Commission shall be named as additional insured. Failure to provide and maintain the insurance required by this Agreement will constitute a material breach of the Agreement.

3.4.5. Additional Elements of a Contract

Non-Discrimination Statement; Inspection and Audit Requirements; Subcontractor and Assignment; Best Efforts; Renewal or Non-Renewal; Health and Safety Standards, Drug Free Workplace; Compliance with Law; and Warranty

3.5. Approval Procedures

Legal Counsel will need to review the draft contract if non-standard insurance is required.

The following is the internal procedures for Commission approved funding proposals that require contractual negotiation and execution.

1. Executive Committee reviews contracts for risk, accountability and performance outcomes.
2. Legal Counsel reviews proposed contract(s), signs and returns to Commission staff
3. Commission staff obtains contractor signature(s) on contract(s)
4. Commission staff obtains Commission Chair signature on contract (s)

The following is the internal procedures for final contracts that require Commission discussion and approval.

1. Legal Counsel reviews proposed contract(s), signs and returns to Commission staff
2. Commission staff obtains contractor signature(s) on contract(s)
3. Commission staff places contracts on agenda for Commission approval

Section 205 - Grants and Sponsorships

1. POLICY

It is the policy of the Commission that during the approval of its annual budget the Commission will consider the allocation of revenue for short-term grants and sponsorships to support services, projects, activities or events benefiting Yuba County children 0-5 and their families. The threshold for grants and sponsorships are annually determined and approved by the Commission and application guidelines are managed by the Executive Director.

2. PURPOSE

The purpose of grants and sponsorship awards is to encourage and involve members of the community to build upon existing community resources that are consistent with the Commission priorities, and/or serve to enhance, not supplant, current sources of funding. Therefore, existing contracted agencies are discouraged to apply and should be carefully reviewed for duplication of services and possible supplantation.

3. PROCEDURE

3.1 Individuals or organizations requesting a grant or sponsorship should deliver the appropriate application to the Commission's office according to application guidelines or until funds are depleted. An application submission does not guarantee award or funding

3.2 The executive director may approve requests so long as:

- The amount requested adheres to the Commission's purchasing and procurement policies.
- The planned use of funds is spent within the same fiscal year.
- It is the individuals or organizations first request; sequential requests will be evaluated by the Commission.

3.3 A decision by the executive director to approve an application must be reported to the Commission at its next regular meeting.

3.4 The Commission designated committee may evaluate the proposals and may make a recommendation about possible funding. The recommendations will be presented to the Commission for final approval. Not all submitted applications will be recommended for funding, applications may be recommended for full, partial funding or no funding.

3.5 Individuals or organizations submitting a grant or sponsorship application will be notified within ten (10) business days following any Commission action involving the request. Funding decisions made by the Commission are final and cannot be appealed. All applications and materials submitted shall become property of the Commission.

3.6 All grants and sponsorship awards must enter into an agreement with the Commission indicating the project scope, payment arrangements, contract term, and terms and conditions. Awards must be spent within the same fiscal year funds are awarded. Any unspent funds must be returned to the Commission.

Section 206 - Unsolicited Funding Proposal

1. POLICY

Unsolicited funding proposals are proposals from agencies or individuals that were not invited or requested by the Commission. The proposals usually take the form of plans, budgets, or narratives that request funding from the Commission. The Commission reserves the right to reject any and all applications and to waive informalities or irregularities.

Unsolicited funding proposals must target children (0 through 5 years of age) and their families and must be consistent with the Commission strategies:

- Improved Family Functioning: Strong Families
- Improved Child Development: Children Learning
- Improved Child Health: Healthy Children
- Improved Systems of Care: Community Collaboration

2. PURPOSE

The purpose of this policy is to provide guidance for Commission and the public related funding requests outside of the regular funding processes.

3. PROCEDURE

3.1 Individuals or organizations wishing to submit an unsolicited funding proposal should deliver the proposal to the Commission's office by the end of the calendar year for the Commission to determine for its upcoming fiscal year.

3.2 The executive director may approve requests unsolicited funding proposals so long as:

- The planned use of funds is spent within the same fiscal year.
- It is the individuals or organizations first request; sequential requests will be evaluated by the Executive Committee.
- The amount requested adheres to the Commission's purchasing and procurement policies.
- The amount requested does not require an amendment of the Commission's approved fiscal budget.

3.3 A decision by the executive director to approve unsolicited funding proposals must be reported to the Commission at its next regular meeting.

3.4 The Commission designated committee may evaluate the proposals and may make a recommendation about possible funding. The Executive Committee may forward their recommendation to the Commission for its consideration according to the Commission's contracting and procurement policy.

3.5 Individuals or organizations submitting an unsolicited funding proposal will be notified within ten (10) business days following any Commission action involving the proposal.

3.6 Individuals or organizations with proposals not approved for funding under regular funding processes may not bring those same proposals before the Commission for a twelve-month period commencing with the Commission decision.

Section 207 - Establishing the Salaries and Benefits of Commission Employees

1. POLICY

Utilizing the County of Yuba compensation and benefit programs, the Commission shall establish the salaries and benefits of Commission employees. Additionally, the County of Yuba's Personnel and Payroll policies shall be the personnel and payroll policies for the Commission.

2. PURPOSE

In accordance to parameters set in state law, the policies of the State Commission and in compliance with generally accepted accounting principles to ensure the credibility and reliability of information.

3. PROCEDURE

3.1 Positions and salaries for Commission employees are included in the County of Yuba Classification System- Basic Salary/Hourly Schedule. Benefits for Commission employees shall be selected from among the benefit packages offered to County of Yuba employees in similar classifications.

3.2 The Commission shall process personnel and payroll information accurately, timely and in compliance with the County's established policy and procedures.

FINANCIAL POLICIES (300-399)

Section 300 - Credit Card

1. POLICY

The Commission has adopted the Yuba County Purchasing Card Policy. The Purchasing Card Policy allows for internal control of purchasing cards and accountability of items purchased.

2. PURPOSE

The purpose of this policy is to provide guidance for the Commission staff, Commissioners, and grantees related to the utilization of the Commission's credit card.

3. PROCEDURE

These procedures apply to all Commission members and all Commission staff members. The executive director is responsible for implementing and administering this policy.

- Purchasing cards shall remain under the control of the executive director or his/her designee. Cards will be issued to employees and Commissioners only for the period of time public business purchases can reasonably be expected to be made.
- When issued, purchasing cardholders shall sign the card(s) out in a log. At the time of sign-out, the holder must state the date and purpose/use for the purchasing card.
- Upon completion of business where the card is required, purchasing cards will be returned to the executive director or his/her designee, and signed back in to the log.
- When the card is returned, all detailed receipts showing the item charged and the reason for the purchase will be turned in and the employee receiving the card will check the receipts for compliance with the purchasing card policy.
- In the event a purchasing card was used for an unallowable purpose, the cardholder will reimburse the Commission within one working day.
- Monthly, the executive director will cause a reconciliation of credit card charges and credit card receipts to be completed to assure accuracy and to assure compliance with County policy. The executive director will sign the monthly reconciliation and submit the required documentation to the County.

Section 301 - Advance Payments to Contractors

1. POLICY

The Commission recognizes that advanced funds may be needed for particular agencies or projects.

2. PURPOSE

The purpose of this policy is to provide guidance for the Commission staff, Commissioners, and grantees related to advance funding requests.

3. PROCEDURE

3.1 Any provider seeking the release of funds prior to the commencement of work under the contract should make such a request within their proposal, specifying the reason(s) advance funds are needed. All requests for advance funding will be subject to the approval of the Commission, based on the nature of each project and the needs of the provider. A cash advance shall not exceed 50 percent of the maximum amount allowed under the contract.

3.2 Contractors who are issued an advance payment are expected to perform according to the approved scope of work.

3.3 Advance payments shall be reconciled with actual expenditures within twenty (20) days of the end of the Commission's fiscal year or the contractual reconciliation date approved by the Commission.

3.4 Unexpended advanced payments shall be returned to the Commission within thirty (30) days of the end of the Commission's fiscal year or the contractual reconciliation date.

Section 302 - Submission of Billing Invoices by Contractors

1. POLICY

Billing invoices must be submitted on a timely basis throughout the year and prior to August 15th of each year.

2. PURPOSE

The purpose of this policy is to provide guidance for the Commission staff, Commissioners, and grantees related to billing invoices.

3. PROCEDURE

3.1 Contractors scheduled to submit billing invoices to the Commission on a monthly basis shall submit the invoices within fifteen (15) days of the end of the month being billed.

3.2 Contractors scheduled to submit billing invoices to the Commission on a quarterly basis shall submit the invoices within twenty (20) days of the end of the quarter being billed.

3.3 Contractors shall submit all year-end invoices for any costs incurred during the period July 1st through June 30th as soon as possible following the end of the Commission's fiscal year.

3.4 All year-end invoices must be received no later than August 1st. Invoices for the prior fiscal year that are received after August 1st will be rejected and will not be paid.

3.5 Once Commission staff has accepted an invoice and a determination has been made the invoice is complete, payment to Contractor shall be made within thirty (30) days.

Section 303- Unspent Funds by Contractors

1. POLICY

It is the Commission's policy to approve contracts based on the scopes of work, proposed budget and contract term. Contractors requesting to rollover any unspent funds from the Commission approved budget to a subsequent approved or unapproved contract term must submit a request in writing to the Commission.

2. PURPOSE

The purpose of this policy is to provide guidance for the Commission staff, Commissioners, and grantees related to unspent funds by contractors.

3. PROCEDURE

3.1 Contractors requesting to rollover any unspent funds from the Commission approved budget to a subsequent approved or unapproved contract term must submit a request in writing within twenty (20) days of the end of the contract period. The request to utilize unspent funds proposed by a contractor shall include:

- A narrative explaining the need to expend unspent funds
- A budget that combines the Commission approved funds with unspent funds from the prior year.

3.2 The Commission's executive director may approve requests to utilize unspent funds and execute contract amendments to add the funds, so long as:

- The planned use of the unspent funds is consistent with the contractual scope of work
- The amount requested does not materially change the scope, size, capacity, or direction of the program.
- The amount requested is not more than 25% of the total amount approved.
- The sequential contract term is Commission approved.

3.3 A decision by the Commission's executive director to permit a Contractor to utilize prior year's unspent funds must be reported to the Commission at its next regular meeting.

3.4 Requests to utilize unspent funds that total more than 25% of the approved budget or to utilize unspent funds in a sequential unapproved contract term may only be approved by the Commission.

Section 304 - Budget Amendments by Contractors

1. POLICY

It is the Commission's policy to approve contracts based on the scopes of work, proposed budget and contract term. Expenditures made by contractors are not to exceed 10% of any line item without a budget amendment being submitted and approved by the Commission.

2. PURPOSE

The purpose of this policy is to provide guidance to the Commission staff, Commissioners, and grantees related to budget revisions, when no additional funding is requested.

3. PROCEDURE

3.1 Contractors requesting budget amendments are to notify the Commission in advance of the proposed change by submitting a request in writing to the Commission. The request of a budget amendment proposed by a contractor shall include:

- A narrative explaining the need to increase or decrease a line item
- A budget that increases or decreases a line item(s) by more than 10%

3.2 The Commission's executive director may approve contract budget amendments, so long as:

- The planned expenditures in the budget amendment are consistent with the contractual scope of work.
- The budget amendment does not materially change the scope, size, capacity, or direction of the program.
- The budget amendment does not increase the total value of the contract.
- The budget amendment does not increase or decrease a line item by more than \$10,000.

3.3 Contract budget amendments requests that increase or decrease a line item by more than \$10,000 may only be approved by the Commission.

Section 305 - Allowable Expenditures by Contractors

1. POLICY

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

2. PURPOSE

In accordance with Section 130100-130155 of the California Health and Safety Code; Article 7 (commencing with Section 54201) of Chapter 5 of Part 1 of Division 2 of Title 5 of the Government Code; Chapter 2 (commencing with Section 2000) of Part 1 of Division 2 of the Public Contract Code; Section 3410 of the Public Contracts Code; and Chapter 3.5 (commencing with Section 22150) of Part 3 of Division 2 of the Public Contract Code.

3. PROCEDURE

3.1 Expenditures shall be made for only those services, supplies, and materials that 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 (mental health services, health enrollment assistance services, English language lessons, literacy, etc.)

3.2 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.

3.3 Contractor requests for reimbursement shall be accompanied by appropriate documentation. Commission staff may request additional documentation to determine that an invoiced expenditure is consistent with these policies.

3.4 Equipment, materials, supplies, or property purchased for or financed from Commission funds having a useful life of three (3) years or greater or a value in excess of One Thousand Dollars (\$1,000.00) 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.

3.5 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.

3.6 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:

- An attendance sheet or list of meeting attendees accompanies the invoice, along with a meeting agenda and meeting minutes, if any.
- The meeting targets community members, the public, and/or employees of other agencies (education or training session, for example).
- The items purchased contain predominately healthy choices and in alignment with the U.S. Department of Agriculture (USDA) Dietary Guidelines for Americans and The California Department of Education (CDE) Nutrition Services Division (NSD) Child and Adult Food Care Program (CACFP).
- 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 contract scope of work and budget.
- 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 future food purchases will not be reimbursed to the contracting agency from Commission funds.

3.7 As a general rule, food and non-alcoholic beverage items should not be supplied for the exclusive use of contractor's staff. The Commission will 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, agendas, and meeting minutes (if any) shall be included as documentation of the need for such expenditures.

3.8 Contractor travel costs shall comply with the contracting agency's reasonable travel policies, providing the executive director has approved such policies. Contracting agencies without an adopted travel policy shall comply with Yuba County's Travel Policy. Nothing herein shall exempt the contractor from providing sufficient appropriate documentation to support travel expenditures. Should the contractor's travel policy permit travel reimbursements 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 future costs or types of travel costs will not be reimbursed to the contracting agency from Commission funds.

3.9 Under no circumstances should stipends or gift cards be supplied to contractor's staff as an incentive or reward or compensation. 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 scope of work and budget.

Section 306 - Commission Budget and Fiscal Matters

1. POLICY

Recognizing that not all of its provisions are applicable to the Commission's operations, the County of Yuba's Budget and Fiscal Matters policies shall be the policies for the Commission. Annually, the Commission shall adopt a budget prior to the start of a fiscal year. During the fiscal year, the Commission shall document revenue and expenditure activity and may amend the adopted budget

2. PURPOSE

The purpose of this policy is to provide guidance for the Commission staff, Commissioners, and grantees related to the management of the Commission's budget.

3. PROCEDURE

3.1 Prior to the start of a fiscal year, the Commission shall adopt an annual budget containing sufficient detail to identify contracts, programs, and staff to be funded during the fiscal year.

3.2 At the time the budget is adopted, staff shall notify the Commission of the appropriate level of operating capital in Fund 110 for the upcoming fiscal year. The operating fund balance shall not be less than 15% of the Commission's budgeted administrative costs. Any variations must be justified and documented in the minutes.

3.3 At the time the budget is adopted, the Commission shall also adopt a long-range financial plan containing projections, assumptions, revenues, expenditures, and changes to fund balance for at least a three year period.

3.4 At the time the budget is adopted, the Commission shall document in its minutes its investment strategy to the Yuba County Children First Endowment Fund.

3.5 During a fiscal year, the Commission may take an action to amend an annual budget if, in the discretion of the Commission, circumstances require that an amendment be made.

3.6 During the fiscal year, the Commission shall reconcile its bank accounts to its general ledger by properly documenting and tracking all revenue and expenditure transactions.

3.7 If requested by the Auditor-Controller or Administrator of Yuba County, the annual budget and any amendments shall be submitted to the County in the manner and in the timeframes applied to County departments.

Section 307 - Expenditures Categories and Limitations

1. 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 20 percent of the total amount budgeted.

2. PURPOSE

In accordance with Section 130140(d)(5) of the California Health and Safety Code expenditures allocated to administrative, program, and evaluation categories shall be reported to the Commission (at least quarterly).

3. PROCEDURE

3.1 Establishing an Upper Limit on Administrative Costs:

Based on an analysis of its administrative spending needs and best practices in government finance, the Commission has established an upper limit on administrative costs as 20% of the Commission’s annual operating budget. The Commission requires a periodic review of the validity of the adopted definition and percentage (based on changes in state law, regulation, county government requirements, and other relevant factors). The Commission shall maintain auditable records to ensure compliance with the administrative cost policy.

3.2 Monitoring and Reporting: All costs will fall into one of three major categories: administrative, programmatic or evaluation. The three categories are defined below.

Administrative Costs: Costs incurred in support of the general management and administration of a 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.

Program Costs: Costs incurred that are readily assignable to a program, grantee, contractor, or service provider (other than evaluation activities) and/or in the execution of direct service provision.

Evaluation Costs: Costs incurred in the evaluation of funded programs based upon their accountability framework and data collection and evaluation for required reporting to state and local stakeholders.

Cost Category Examples		
Administrative	Program	Evaluation
General Accounting, Financial Reporting, Local annual reporting activities, Financial Planning, Commission/Association, Meetings/Travel, Payroll/Benefits, Legal	Direct Services, Program Outreach and Education, Program Planning Program/Provider, Technical Assistance and Support, Program Database Management, Program	Evaluation, Focus Groups, Evaluation Technical Assistance, Evaluation Database

Services / Consulting, Contract Compliance, Audit, Strategic Planning, Rent, Utilities, Insurance, Indirect Costs, Procurement	Grants and Contracts	
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- 3.2.1 At least quarterly, actual administrative expenditures shall be reported to the Commission and compared to the 20% limit.
- 3.2.2 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 (130151(b)(7)).
- 3.2.3 The Commission may, at the time of authorizing an extraordinary administrative expenditure, exempt it from calculation of compliance with this limit. The rationale for exemption shall be included in the public record at the time the exemption is decided.
- 3.2.4 Commission staff will be responsible for establishing cost elements for each of the three categories, using the definitions included in this policy.
- 3.2.5 Commission staff will establish a methodology for tracking and reporting on the three cost categories. Commission staff shall use valid methodologies and tools for allocating costs. Valid methods may include time-studies, automated cost accounting systems, review of payroll records and cost finding.

Section 308 - Annual Audit of Financial Condition

1. POLICY

Annually, the Commission shall have a financial audit of its accounts and transactions conducted. The results of the audit shall be communicated to the public and to the State Commission and State Controller's Office.

2. PURPOSE

In accordance with Section 130150, 130151(b)(6) of the California Health and Safety Code the Commission shall conduct an audit.

3. PROCEDURE

3.1 Following the close of the County's fiscal year (July – June), the Commission shall have an independent audit conducted to assess the appropriateness and completeness of its revenue and expenditure transactions for the fiscal year just ended. As permitted by law, the audit can be conducted by the County Auditor's Office or by an accounting firm with knowledge of governmental fund accounting.

3.2 Any annual audit conducted shall use audit guidelines issued by the State Controller's Office. (The most recent guidelines are entitled, "Standards and Procedures for Audits of California Counties Participating in the California Children and Families Program".)

3.3 By law, the audit report is to be completed by October 15th of each year.

3.4 By November 1st of each year, the Commission is to conduct a public hearing, discuss any findings, adopt the audit report and submit a copy to the State Commission and State Controller's Office.

Section 309 - Fund Balance

1. POLICY

It is the policy of the Commission to comply with the generally accepted accounting principles and report their fund balance consistent with Statement 54 of the Governmental Accounting Standards Board (GASB). The fund balance includes funds committed for multi-year initiatives and programs. Proper reporting of the fund balance provides an opportunity for the Commission to report how they have committed funds over a period of years. The total fund balance represents the value of the funds available to the Commission.

2. PURPOSE

In accordance with Section 130151(b)(6), policies are needed to assess and communicate the financial condition of the Commission.

3. PROCEDURE

Financial statements of the Commission may include up to five components of the fund balance. The Commission is not required to show amounts in all five components. The five possible components are defined below.

1) *Nonspendable Fund Balance*: This category includes elements of the fund balance that cannot be spent because of their form, or because they must be maintained intact. Examples would include:

- Assets that will never convert to cash, such as prepaid items and inventories of supplies
- Assets that will not convert to cash soon enough to affect the current period, such as non-financial assets held for resale; or
- Resources that must be held intact pursuant to legal or contractual requirements, such as revolving loan fund capital or the principal of an endowment

2) *Restricted Fund Balance*: This category includes resources that are subject to constraints that are externally enforceable legal restrictions. Examples would include:

- Funding from the State Commission or foundations that are legally restricted to specific uses. For example, funds advanced by the State Commission under specific agreements for services, or matching funds for specific initiatives would be reported as restricted funds.
- Funds legally restricted by county, state, or federal legislature, or a government's charter or constitution.
- Amounts collected from non-spendable items, such as the long term portion of loan outstanding, if those amounts are also subject to legal constraints.

NOTE: Tobacco tax revenues are not automatically categorized as restricted fund balance because the purposes for which tobacco tax allocations may legally be used are no narrower than the purpose for which the commissions were created in Proposition 10 enabling legislation.

3) *Committed Fund Balance*: Two criteria determine the committed fund balance:

- The use of funds is constrained by limits imposed by action of the Commission – the governmental unit’s highest level of decision making.
- Removal or modification of the use of funds can be accomplished only by action of the Commission. (Both the establishment of the commitment and/or modification or removal must occur prior to the end of the fiscal year being reported upon.
- Resources in this category would include:
 - Resources committed for a future initiative when Commission action is required to remove or modify the commitment.
 - Resources that have been committed by the Commission for specific agreements that have not yet been executed when Commission action is also required to remove this commitment.
 - Resources committed as the local match for a State Commission initiative.
 - Funding that has been designated for previously executed legally enforceable contracts but not yet spent, including multi-year contracts, when the Commission has approved the contract before the end of the year and when cancellation of such contracts would require Commission approval.

4) *Assigned Fund Balance*: The assigned portion of the fund balance reflects the Commission’s intended use of resources, which can be established either by the Commission or the executive director. The “assigned” component is similar to the “committed” component, with two essential differences, shown in the following table:

Key Differences Between Committed and Assigned Fund Balance	Committed	Assigned
A decision to use funds for a specific purpose requires action of the Commission	Yes	No
Formal action of Commission is necessary to impose, remove or modify a constraint and formal action has taken place before end of the reporting period	Yes	No

The purpose of the assignment must be narrower than the fund itself. For this reason, tobacco tax revenues would not automatically be placed in the “committed” component. Resources to be included in this category include:

- Appropriation of all or a portion of existing fund balance sufficient to eliminate a projected deficit in the subsequent year’s budget.

- Funding that has been designated for previously executed legally enforceable contracts but not yet spent, including multi-year contracts, when cancellation of such contracts would not require Commission approval.
- Resources assigned to a specific program or project or organization for which the commission has approved a plan or budget.
- Resources approved by a commission for a long range financial plan where formal approval is not required to modify amounts.

5) *Unassigned Fund Balance*: Resources in the fund balance that cannot be classified into any of the other categories are included here.

Section 310 - Yuba County Children First Endowment Reserve

1. POLICY

As an irreplaceable resource of the Commission, a minimum endowment fund balance is to be maintained for the fiscal health of the Proposition 10 program. While the endowment may be used only with the specific approval of the Commission, it is the policy of the Commission not to utilize the endowment in amounts that will cause the balance to fall below the Commission's established minimum level. In addition to maintaining a minimum balance the Commission shall annually assess its ability to invest its tobacco tax revenue into the endowment fund and assigns the responsibility for investment management to the county treasurer

2. PURPOSE

The purpose of this policy is to provide guidance for the Commission staff, Commissioners, and grantees related to the use of the Commission's Endowment Funds.

3. PROCEDURE

3.1 Except when approved by a four fifths affirmative action of the Commission, the budgeted fund balance for Fund 210 (the Yuba County Children First Endowment Fund) shall be not less than the Commission's budgeted tobacco tax revenue revenues for the current fiscal year.

3.2 Annually, the Commission shall review the projected amount of tobacco tax revenue and existing multi-year contracts to determine its ability to invest into the endowment fund, the decision should be noted within its minutes.

3.3 As needed, Commission staff must complete and submit the County's Budget Adjustment Request Form to complete a transfer to/from the reserve prior to the end of the fiscal year, a copy of the minutes should be included.

3.4 At any time and at its discretion, the Commission may schedule on its agenda an action to amend its fund balance minimum or establish any fund balance policies or issue any financial instructions (i.e., disbursement) that, in its determination, serves the best interests of the Commission and the programs it funds.

Section 311 - Invoice Preparation, Review, and Approval

1. POLICY

Invoices for services are to contain sufficient documentation to verify for what purposes the expenditures were made, that the expenditures were made as a part of an approved scope of work and budget, and that the expenditures are consistent with Commission guidelines and public policy.

2. PURPOSE

The purpose of this policy is to provide guidance for the Commission staff, Commissioners and grantees related to proper preparation, review and approval of invoices presented for payment.

3. PROCEDURE

3.1. Invoices shall contain the following information

- Provider Name and Program Name
- Contract Name or Number
- Invoice period
- Approved budget by categories, current expenditures, previous expenditures, total expenditures and unexpended balance
- When appropriate, a detailed general ledger that reconciles to the invoice
- Year to date totals
- Variances
- Explanations for unusual variances
- Amounts applied to variances
- Name and original signature of person preparing the invoice and attesting to its accuracy

3.2 Commission staff shall review all invoices to verify the items below and shall sign, initial, or otherwise make further attempts to resolve discrepancies.

- Sufficient funds have been allocated in the Commission's approved budget
- Appropriate documentation exists to support the costs being claimed
- The expenses were incurred within the contract period
- The invoice has been reconciled to the documentation
- The expenditures are within the scope of work or are otherwise determined to be appropriate
- Invoices (including year-end invoices) are being submitted timely
- Expenses are reported by budget category and are correctly categorized
- Advanced funds have been reconciled according to the Commission approval or its policy
- Whether previous expenditures reported have been compared to the last invoice submitted

3.3 Once the invoice has been verified, Commission staff will process payment according to the County Auditor's office policies and procedures specific to

accounts payable. The County Auditor's Office will process and generate a warrant that will be mailed directly to the agency submitting the invoice.

Section 312 - Funds for Capital Improvements

1. POLICY

State Commission funds cannot be used for the acquisition or purchase of fixed or capital assets. County Commission funds may be utilized, in very limited circumstances, to fund construction or reconstruction projects that provide services or benefits to children ages 0 through 5. All such capital improvement considered by the Commission shall be reviewed based on the criteria set forth below.

2. PURPOSE

The purpose of this policy is to provide guidance for the Commission staff, Commissioners, and grantees related to capital improvement.

3. PROCEDURE

All capital improvement project proposals shall be considered by one or more Commission Committees prior to being referred to the full commission for consideration. Capital improvement projects are defined as new construction or reconstruction projects.

3.1 Capital improvement proposals shall be evaluated according to criteria that includes, but is not limited to, the following:

- a. The useful life of the improvement.
- b. The use of the improvement.
- c. The Commission's ability to secure its investment.
- d. The amount requested.
- e. The length of time the improvement will be specifically dedicated for Prop10 purposes.
- f. The ability of the improvement to be used by non-targeted groups.
- g. The amount of funds leveraged with Proposition 10 funds.
- h. The services or programs for children 0-5 years of age enhanced by the improvement.
- i. The length of time the applicant has been in business.
- j. The administrative and fiscal capacity and capability of the applicant.
- k. The reasonableness and appropriateness of the project budget.
- l. The location and accessibility of the proposed improvement.

3.2 Contracts providing funding for any capital improvement project must be approved by the Commission's Legal Counsel.

MONITORING AND EVALUATION POLICIES 400-499

Section 400 - Monitoring and Evaluation of Contractors

1. POLICY

All Contractors shall be monitored and evaluated on a regular basis throughout their contract period.

2. PURPOSE

The purpose of this policy is to provide guidance for the Commission staff, Commissioners, and grantees related to monitoring and evaluation. To ensure that limited resources are being used in the most efficient manner, the Commission has adopted a risk-based approach to monitoring and reporting. The essence of the risk-based approach is that some providers present less risk than others and thus warrant less scrutiny by the Commission.

3. PROCEDURE

3.1 Monitoring means any planned, ongoing, or periodic activity that measures and ensures Contractor compliance with the terms, conditions, and requirements of a contract.

3.2 Evaluation is the systematic acquisition and analysis of information to provide useful feedback to a funded program and to support decision making about continuing or altering program operations. It is an on-going process in which questions are selected, framed, and answered in order to assess the value and effectiveness of programs, as well as to further strengthen and build the capacity of programs.

3.3 Technical assistance means to support and assist Contractors/partners in the development of those changes, alterations, adjustments and amendments that will increase the likelihood of the Contractor successfully and effectively performing under the terms, conditions, and requirements of their contract.

3.4 Activities that will be used to monitor and evaluate Contractor performance may include:

- Periodic progress reports: Quarterly, as required in their contractual scope of work, contractors will submit activity and outcome data in a format prescribed by the Commission.
- Review of Contractor's audit reports: Examination of an independent audit commissioned by the Contractor.
- Invoice reviews: Ensures the costs being charged are within contract parameters.
- Onsite reviews and observations: At least semi-annually, this may include some or all of the following: interviews with Contractor staff, interviews with clients about services received, reviews of key systems and service documentation, reviews of client case records, reviews of personnel records to ensure staff have appropriate

credentials, reviews of on-site fiscal records, observations of operations, and reviews of scopes of work and scorecards.

- Contact with Contractor: Continuous dialogue with the Contractor in the form of letters, meetings, and phone conversations.
- Surveys: Concerning contract service delivery and quality.

3.5 The contractor is responsible for developing and operating a data collection system that provides timely and accurate information on activities, progress towards milestones, and outcomes. When requested, Commission staff will assist the contractor in the development of a data collection and reporting system.

Section 401 - Site Visits

1. POLICY

Site visits will be performed at least twice per year. Commission staff will review information regarding program activities, content, effectiveness, and fiscal processes and will document site visits in writing.

2. PURPOSE

The purpose of this policy is to provide guidance for the Commission staff, Commissioners, and grantees related to site visits.

3. PROCEDURE

3.1 Commission partners will complete a site visit progress report and submit it to Commission staff prior to the visit. Staff will review the program operation documentation provided by the contractor and compare it to the contractual scope of work and the scorecard. Documentation to monitor and evaluate Contractor performance may include:

- Announcements about training sessions, workshops, seminars
- Sign in sheets
- Surveys
- Reports and data
- Summaries of clients served
- Quarterly scorecard reports

3.2 Staff will issue a report following each site visit detailing first hand observations and what was discussed with the Contractor. The report, which will include an assessment of Contractor's efforts to comply with the contract's scope of work and scorecard, will be filed in a Program Monitoring binder. The binder will be kept in the Commission's administrative offices. Site visit reports and a log of communications with the Contractor may be included in an electronic database, which will allow all staff to review the progress of the Contractor's activities.

3.3 Following a site visit, staff may develop a corrective action plan with time specific and measurable goals or activities for the Contractor to perform in order to correct operational or contractual deficiencies. Any such plan developed will focus on activities and services provided by the Contractor and changes needed in order for the Contractor to meet planned contractual obligations.

3.4 Following each site visit, staff will send a letter to the Contractor detailing what was observed and discussed. The letter will contain any action plan or corrective plan developed and will contain a list of the subjects or items to be reviewed or discussed during the next site visit.

Section 402 - Corrective Actions by Contractors

1. POLICY

Contractors significantly deviating from planned performance shall be required to develop and implement corrective actions.

2. PURPOSE

The purpose of this policy is to provide guidance for the Commission staff, Commissioners, and grantees related to performance standards.

3. PROCEDURE

3.1 Corrective action means action taken by the Contractor that corrects identified deficiencies or produces recommended improvements. Corrective action is suggested when identified deficiencies are serious (for example, a failure to ensure client health or safety) or where less formal means have failed. Examples of issues requiring corrective action include:

- Significant audit or monitoring findings
- Inferior quality of services
- Failure to perform all or part of the contract
- Late performance
- Late submission of reports or invoices on a recurring basis
- Inadequate, unclear, or excessive billing.
- Failure to adequately meet contractual obligations.

3.2 When an item or issue is noted that needs correction, Commission staff is to:

- Notify the Contractor both verbally and in writing that a problem has been identified.
- Clearly identify the problem verbally and in writing using dates, number of occurrences, or other data that quantifies the problem. For example, "Paragraph 4 of your Contract states that you must submit a report by the 5th of each month. Your reports for May, June, and July were all submitted over 5 weeks after the due date, and we have not yet received your August report."
- Ask the Contractor to advise how the problem will be corrected.
- Notify the Contractor of expectations for correcting the problem. If appropriate, ask the Contractor to propose a corrective action plan, including dates when corrective action will be completed.
- Document conversations with the Contractor by way of a memo to the contract file.

3.3 While a Contractor is working to correct a problem, Commission staff will offer advice, assistance, and support to encourage a successful resolution of the problem. Commission staff will track all corrective action to completion and will consult with the Contractor when requested.

3.4 When the corrective action resolves the issue, Commission staff shall notify the Contractor in writing that resolution has been achieved. A copy of such a letter shall be included in the contract file.

3.5 If a deadline is missed or corrective action is otherwise not completed, Commission staff will notify the Contractor in writing that a deadline has been missed and ask the Contractor when the action will be completed. The Contractor will be advised that failure to comply with the corrective action plan could lead to termination of the contract. Staff will notify the Commission of the failure of the Contractor to perform in accordance with the agreement and/or any plan of correction. The matter may be scheduled for formal Commission action.

