



# Board Policies

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## **Definitions**

**Administrative Cost** – Expense incurred in controlling and directing an organization, but not directly identifiable with program services. Salaries of senior executives and costs of general services (such as accounting) fall under this heading. Administrative costs are related to the organization as a whole, as opposed to expenses related to individual services.

**Administrative Cost Rate** – A fixed percent of a program budget determined by an indirect cost rate calculation. This should not be duplicative of other program items and may not exceed a set percent of the total program budget, as adopted by the Board.

**Annual Budget** – An estimate of expenditures for specific purposes during a fiscal year and the proposed means for financing those activities.

**Case Data Gatherer (CDG)** – The module in SAMIS where information for the case, participant, episode, and the measurable objective is entered, viewed, and utilized for statistical analysis.

**Community Priority Funding** – Community Priority Funding is established to address extraordinary challenges that may negatively impact the community's ability to receive quality programming.

**Compliance** – To meet or conform to the obligations stated within the JWB contract.

**Conflict of Interest** – Any situation in which an individual or corporation (either private or governmental) is in a position to exploit a professional or official capacity in some way for their personal financial benefit.

**Contracted Service Level** – A funded agency's contractual obligations for services to be provided in a given budget year.

**Corrective Action Plan** – A plan that identifies specific strategies and actions to resolve serious internal areas of non-compliance (Level 3) within an agency. The plan identifies the action to be taken within a specified timeframe, not to exceed ten months.

**Direct Service** – Direct service includes services provided directly to a specific participant, collateral contacts on behalf of a participant, or services negotiated from other sources for a specific participant.

**Fiscal Year** – The 12-month financial period which begins October 1 and ends September 30 of the following calendar year.

**Fixed Rate Payments** – Payments that will remain constant over the term of a contract.

**Fund** – An unallocated sum of money available for specified purposes.

**Institutional Review Board** – An Institutional Review Board (IRB) is a committee formally designated by an organization to review research involving human participants and clinical investigations. The IRB is responsible for approving the research before it is initiated and conducting periodic reviews of continuing research. It may require modifications to the research methods before approving the research.

**Lapse Funds** – Funds remaining from the unused budgeted amount.

**Measurable Outcome** – Program outcomes that can be observed and measured.

**OHD** – Or his/her designee.

**Out-of-Cycle Funding** – Requests which are in keeping with the JWB Strategic Plan and for which there is no JWB funding cycle available.

**Out-of-School Time (OST)** – Before and after school programming, two to three hours per day, four to five days per week, designed to provide youth ages 9 to 14 with a range of supervised activities to encourage academic learning and social/emotional development.

**Per Diem** – A daily allowance for expenses.

**Policy** – A definite course of action adopted by the Board after a review of information and directed at the realization of goals.

**Qualified Audit** – A “qualified” opinion is an opinion in which the independent auditor takes exception to some specific aspect of the financial statements as presented, or is unable to form an unqualified opinion because of an inability to obtain audit evidence about a matter that might affect the financial statements.

**Reimbursement** – Paying back money spent for an official or approved reason.

## **Definitions** *(continued)*

**Reserve Fund** – An account used to indicate that a portion of fund equity which is, by board policy, restricted for a specific purpose or not available for appropriation and subsequent spending.

**Spending Plan** – A plan or schedule which adjusts expenses during a certain period to the estimated or fixed income for that period.

**State Board of Administration** – A constitutional entity of Florida State Government; manages 30 investments.

**Strategic Direction** – The main emphasis and drive of the strategic plan, expressed by the community through the Board.

**Strategic Plan** – A document used by an organization to outline organizational priorities, mission and objectives.

**Truth in Millage** – “TRIM” establishes the statutory requirements that all taxing authorities levying a millage must follow, including notices and budget hearing requirements.

**Vendor** – Any person or company that sells goods or services to another person or company.

# **I. Board Policies on General Administrative Matters**

The purpose of these policies is to assure JWB funds promote countywide systems of care that make a clear and visible impact, while maintaining cost efficiencies. The parameters defined in this document are created for the purpose of delivering the highest quality programs in order to strengthen children and families in Pinellas County.

Staff shall make reasonable efforts to coordinate planning, funding, and evaluation activities with other appropriate planning and funding agencies, to eliminate unnecessary duplication and improve the overall quality of these activities.

## **Mission Statement**

JWB supports the healthy development of all children and their families in Pinellas County through advocacy, research, planning, training, communications, coordinating of resources and funding.

### **A. Board**

The Board consists of the following Pinellas County officials: a County Commissioner, the Public Defender, the State Attorney, the Superintendent of Schools, a Juvenile Judge, and six gubernatorial appointees.

#### **1. Board Attendance.**

a. If an appointed member has three consecutive absences from regular Board meetings during one fiscal year, or a total of five (5) absences from regular Board meetings during one fiscal year, the Chair or any Board member must raise the issue before the Board and bring to a vote of the Board whether to request the Governor to remove the member in violation of the attendance policy and make a new appointment to the Board.

b. In the event of the Chair's prolonged absence or inability to serve, the Vice-Chair shall exercise all functions of the Chair for a period of up to sixty (60) days. In the event the Chair does not return to serve as Chair at the end of sixty (60) days, the office will be deemed vacant.

### **B. Conflict of Interest**

JWB should avoid entering into contracts or agreements involving, directly or indirectly, members of the Board in a manner that would be, or give the appearance of being a conflict of interest.

In accordance with Florida Statute 112.3143, members of the Board shall declare a conflict on a funding issue that involves any entity in which they participate as an employee or member of the governing authority. In such cases, a conflict of interest statement will be filed with the Board secretary. However, a member may vote on such a funding issue if it is a part of a general appropriation addressing multiple programs. In such cases the member will note his or her affiliation with the entity affected.

### **C. Political Activity**

Board members shall be governed by Florida Statutes Chapter 112.333 and 104.31 with regard to political activity. If an appointed member chooses to be a candidate for elective office, the member will first request and secure an interpretation by the Florida Ethics Commission regarding eligibility to run or serve while concurrently serving on the Board of JWB.

### **D. Line of Authority**

There shall be complete separation between the policy-making activities of the Board and the administration of the agency. The Board will adopt policies which govern the agency, and hold the Executive Director responsible for all aspects of JWB operations. This authority includes the execution of contracts, agreements, and budgeted allocations for services approved through specific Board action.

## **E. Technical Assistance and Consultation**

Staff will provide technical assistance for human services programming, as appropriate and as time permits. Staff may serve as nonvoting consultants to such bodies for the purpose of providing technical support. Staff serving on governing bodies of agencies which make application for JWB funds, shall abstain from participation on serving on the Board until a decision is made regarding the application. If funding is provided, that staff person must resign membership on said governing body.

## **F. Endorsements**

Requests for endorsements that require a commitment of JWB resources will be submitted to the Board for its consideration. However, endorsements, which do not require JWB resources, may be given to those agencies and/or individuals which support the focus and priorities of the Board, at the discretion of the Executive Director.

JWB's logo must be present on the following agency materials as an acknowledgement of support:

- Annual Report
- Program Brochures
- Stationery

JWB's logo may not be used on any other publications requiring JWB resources without Board approval. However, if a publication does not require a monetary commitment or indicate sponsorship, use of the JWB logo may be authorized at the discretion of the JWB Executive Director.

## **G. Institutional Review Board**

JWB shall establish and maintain an Institutional Review Board (IRB) to provide oversight and protection for human subjects involved in internal JWB research activities. The JWB Research department is responsible for administration of the IRB.

# **II. Funding Policies**

Funding policies guide the implementation of the Board's Strategic Plan and provide parameters for the selection, award, monitoring, and termination of funding to programs. Programs may be reduced or terminated based on changes in JWB priorities, a reduction in revenues, when contract monitoring reveals a reduction in service levels or services, or poor performance.

## **A. Controlling Act**

All funds shall be allocated in accordance with the intent of the controlling act, the Juvenile Welfare Board Act, Chapter 23, 483, Special Act of 1945, as amended, and codified under the Pinellas County, Florida, Code and Land Use Code Ch. 2, art. VI. § 2-236 – 2-241.

The Board, thereby created, shall have the following powers and duties:

- To provide, maintain, manage, and allocate funds to non-profit or governmental agencies providing services in Pinellas County which are operated for the benefit of children and families as determined or directed by the Board, in accordance with the adopted Strategic Plan and annual Spending Plan.

## **B. Funding Criteria**

Funding requests over \$25,000 may only be approved through the Board's formal Agenda.

1. In order to qualify as a recipient of JWB funds on an annual basis an agency must:
  - a. Be a non-profit corporation or governmental entity.
  - b. Serve children and families in Pinellas County.
  - c. Demonstrate organizational capacity, prior outcome attainment, and evidence-based programs.

- d. Demonstrate operational cost effectiveness and provide tangible benefits for participants.
  - e. ~~Be A.S.S.E.T. certified, achieve provisional A.S.S.E.T. status, or H~~ave a National Accreditation (COA, CARF, JCAHO) and be in good standing.
  - f. Propose to provide services that align with JWB's strategic direction.
  - g. Have a total annual agency operating budget over \$500,000 documented for three consecutive years.
  - h. Be in compliance with all applicable federal, state, and local laws.
  - i. If currently funded by JWB, meet all contract compliance criteria.
2. If an agency is the sole provider addressing a demonstrated critical community need, exceptions to policy will be considered.

Criteria for "critical community need" include, and the program must meet, one or more of the following:

- Operate in a small or underserved area of the county.
- Demonstrate a unique capability to serve populations that other agencies find difficult to reach.
- Be part of a collaborative service strategy and receive funding through a JWB approved subcontracting arrangement.
- Address emerging issues not addressed by other providers.
- Operate under an Administrative Services Organization.

3. JWB will not fund:

- a. Those services or programs under the exclusive jurisdiction of the public school system.
- b. Recreational programs which do not have a clear youth development component.
- c. Direct medical services, unless as a catalyst for matching funds, as a demonstration project, or as an integrated element of a program that encourages positive development of children, youth, and families.
- d. Services/programs requiring worship or religious instructional activities as a condition of participation.
- e. Supplantation of funding provided by another agency without the prior agreement of the Board. The Board may delay budgeting requests when anticipated funds from other sources may be influenced by the Board's decision.
- f. Retirement of debt.
- g. Payment of fines or assessed penalties.
- h. Funding of personal expenses of Board members, staff, or volunteers unless directly related to legitimate business purposes.
- i. Prior to budget submission or subsequent amendment, agencies must provide a written explanation of their Board approved merit compensation plan, if JWB funds are to be utilized or if annualized salary or benefit changes may impact future budgets. JWB will not fund expenses not otherwise approved through the budget or budget amendment process.
- j. Expenses incurred in a JWB fiscal year that has been closed.
- k. Contributions to or on behalf of any political party or candidate.
- l. Charitable Contributions.
- m. Costs associated with a settlement. JWB will fund legal fees for merger and acquisition or other legal services as approved in the contract.
- n. Any administrative cost in excess of the Board adopted percentage of the JWB program allocation.

- o. Expenses associated with fundraising activities.
  - p. Costs not actually incurred, or insufficiently documented.
  - q. The acquisition of real property.
4. The Board, at its discretion, may choose to withhold funding based on the best interest of JWB.

## C. Funding Process

1. A proposed spending plan which addresses funding priorities will be presented to the Board for consideration, in support of the annual budget.

The goals of the plan will be to address unmet needs of children and families by expanding existing services, developing new services, or reallocating existing funds consistent with the Strategic Plan.

2. On an annual basis, the Board will establish a timetable with the following elements:
- a. JWB funded Agency Directors provide input regarding the needs of children and families through their regular Executives meetings.
  - b. Agencies provide feedback at JWB Board meetings.
  - c. Community members and non-funded agencies provide input to the Board regarding unmet needs, through regular Board meetings and Community Councils.
  - d. Finance Committee review of staff budget recommendations.
  - e. Board review and adoption of the Budget Parameters.
  - f. Final Budget presented to the Board.
  - g. Board adopts the Budget.
  - h. Budget Truth in Millage (TRIM) Public Hearings.

3. Competitive Process

JWB primarily allocates funding through a competitive process. The budget for new or **unallocated resources will be determined by Board action. Guidelines for Request for Proposal (RFP)** procedures establish the funding allocation priorities, timeframes for service implementation, and other related issues. These procedures will be reviewed and adopted annually.

4. Sole Source

JWB may fund an organization to deliver program services without a competitive process if:

- a. The organization demonstrates a unique capacity to deliver services.
- b. An emergency arises which precludes procurement through a competitive process.
- c. Only one bidder responds to an RFP.
- d. The program is part of a collaborative funding process with other funders.

## D. Funded Program Requirements

The following are requirements for all JWB funded programs:

1. All program/agency staff, volunteers, and those interacting with consumers supported through JWB funding must receive a Level II background screening or the equivalent. This requirement applies to all employees in this category, regardless of the funding source for the position and all volunteers who may work with youth. The Provider's policy and practice must provide for adequate protection of youth, and must comply with all applicable laws and implementing regulations including, but not limited to, 2010-114 L.O.F. (CS/HB 7069).
2. Programs should be targeted to youth and families identified as at-risk, either through economic, psychological, physical, emotional, behavioral, or intellectual circumstances, or to strengthen families, neighborhoods, and communities.

3. Programs must serve youth and families residing in Pinellas County.
4. Fees or other revenues earned through the operation of a funded program should be exclusively dedicated to that program.
5. For audit purposes, client attendance records must be maintained and available for inspection for five years.
6. The agency is required to engage an audit firm which follows Government Audit Standards when conducting the financial audit and which shows evidence of a peer review report completed every three years.
7. Evidence of Board training is required annually prior to issuance of the contract. Training will consist of topics such as non-profit governance, including roles and responsibilities, fiduciary risks, and liabilities. Training will be available via the JWB Training Center, free of charge.

Programs administered by governmental entities, higher education institutions, and hospitals, may be exempt from this policy.

## **E. Funding Categories**

JWB primarily awards funding through the competitive process, detailed in Section C. In addition, JWB may consider “out of cycle” funding requests based on urgent needs, sudden losses in revenue, or other exigent circumstances.

### **1. Continuation Funding**

The Board funds programs through its annual budget, subject to the Truth in Millage (TRIM) process and adherence to JWB’s funding policies. All accountability criteria will be reviewed at least once a year, prior to annual contract renewals. Programs should reflect efforts to diversify financial support, obtain match funding, and the governing Board’s commitment to serving children.

### **2. Pilot Programs**

JWB will fund new programs that model promising practices and demonstrate the potential to deliver positive outcomes. All new programs are classified as pilot programs for three years. Within the pilot period, service levels and outcomes may be adjusted, with Board approval, during the contract year.

### **3. Expansion Funding**

Additional funding may be awarded to expand existing programs to support furtherance of JWB’s Strategic Plan.

### **4. Research & Evaluation**

Funding may be provided for research-based evaluation of existing projects or new program models, generally utilizing fund balance dollars.

### **5. Community Priorities Fund**

Funds available on an annual basis for on-going or one time only critical needs necessary to assure the continued operation of quality programming.

## **F. Program Operation**

Because it is not the function of JWB to provide direct services to children and families, program administrative or operational efforts will essentially be limited to the following circumstances:

1. Temporary operation in order to maintain continuity of services when an agency is no longer able to do so.
2. Short term demonstration projects or research efforts.
3. Advocacy and activities that are focused on improvement to systems of service for children and families.

In the case of 1 and 2 above, transfer of program operations to an appropriate service provider will occur as soon as practicable.

### III. Performance Measurement System

#### A. The JWB Performance Measurement System

The JWB measurement system strives for organizational excellence through contract compliance, ~~achievement of continuation of A.S.S.E.T. certification,~~ and demonstrated fiscal health. It is designed to strengthen administrative and service delivery capabilities to promote quality services to children and families. JWB primarily employs the following methods to assess organizational excellence and contract compliance:

- An annual site visit and subsequent compliance report
- Evidence of and adherence to required documentation of general and special contract conditions
- Annual performance outcome attainment
- ~~The A.S.S.E.T. certification process~~
- The annual audit and fiscal review

If a program does not meet, or exceeds its contracted service levels (CSL), after a thorough evaluation and negotiation process with program staff, a funding adjustment may be made commensurate with the contracted service level adjustment.

1. If a funded program fails to meet one or more of its contract requirements at the end of a fiscal year, the following procedure will be instituted:
  - A program that experiences a compliance issue of a less severe nature (see Exhibit A – Level 1) will receive one or more of the following: increased contract monitoring, technical assistance, or training specific to the identified need. The program must demonstrate compliance with all stated deficiencies for a term of six months prior to being deemed “in compliance.”
  - A program that experiences a compliance issue of a more severe nature (See Exhibit A – Level 2) will receive one or more of the following: increased contract monitoring, technical assistance, or training specific to the identified need. In addition, JWB may reduce or withhold reimbursement or may subject the program to a time-limited contract. The program must demonstrate compliance with all stated deficiencies for a term of six months prior to being deemed “in compliance.”
  - A program that experiences a compliance issue of a serious and extreme nature (See Exhibit A – Level 3) will be placed on Corrective Action and become ineligible for additional funding beyond the current fiscal year allocation. In addition, the program will receive one or more of the following: increased contract monitoring, technical assistance, training specific to the identified need, a reduction or withholding of reimbursement, or may be subject to a time-limited contract. The program must demonstrate compliance with all stated deficiencies for a term of six months prior to being deemed “in compliance” and eligible to compete for new or enhanced funding.
2. If a funded program fails to meet one or more of their contract requirements, regardless of severity, at the end of the second fiscal year, the following procedure will be instituted:
  - The program will be subject to the terms of a Corrective Action Plan, is not eligible for JWB funding beyond the current allocation, ~~and may be subject to A.S.S.E.T. Certification Revocation,~~ reduced or withheld reimbursement, and/or a time-limited contract (program specific). The program must demonstrate compliance with all stated deficiencies addressed in the Corrective Action Plan for a term of six months prior to being deemed “in compliance” and eligible to compete for new or enhanced funding.

- If at the end of the second fiscal year, a JWB funded program cannot demonstrate contract compliance with all stated deficiencies for a term of six months, their contract may be recommended for termination.
3. When a JWB funded Lead Agency and its sub-contract agencies/programs are delivering a single, integrated service, (i.e. where each is contributing to one single set of services) each will be held accountable should one or all entities fail to meet contract compliance within a complete fiscal year and will be held to the following procedure:
    - The Lead Agency or sub-contract experiencing compliance issues of a less severe nature will receive one or more of the following: increased contract monitoring, technical assistance, or training specific to the identified need. The agency/program must demonstrate compliance with all stated deficiencies for a term of six months prior to being deemed “in compliance.”
    - The Lead Agency or sub-contract experiencing compliance issues of a more severe nature will receive one or more of the following: increased contract monitoring, technical assistance, training specific to the identified need, a reduction or withholding of reimbursement, or may be subject to a time-limited contract. The Lead Agency or sub-contract must demonstrate compliance with all stated deficiencies for a term of six months prior to being deemed “in compliance.”
    - The Lead Agency or sub-contract experiencing compliance issues of a serious and extreme nature will be placed on Corrective Action and become ineligible for funding beyond the current fiscal year allocation. In addition, the Lead Agency or sub-contract will receive one or more of the following: increased contract monitoring, technical assistance, training specific to the identified need, a reduction or withholding of reimbursement, or may be subject to a time-limited contract. The Lead Agency or sub-contract must demonstrate compliance with all stated deficiencies for a term of six months prior to being deemed “in compliance” and eligible to compete for new or enhanced funding.
  4. A JWB funded Lead Agency sub-contracting with programs for individual service delivery functions is responsible for monitoring the compliance status of its subcontractors. If a sub-contract does not meet the stated contract requirements, its compliance status will not negatively affect the compliance status of the JWB funded Lead Agency. However, should a subcontractor fail to meet stated contract requirements after a two year period, JWB will hold the lead agency accountable and the lead agency will be required to meet the terms of a corrective action plan.
  5. In responding to a request for proposal, a JWB funded agency that chooses to subcontract with a JWB funded agency currently in non-compliance or on corrective action may receive a lesser rating on its written application in the “organizational capacity” rating.
  6. If an Administrative Services Organization (ASO) fails to demonstrate prudent administrative capacity, including fiscal at the end of the fiscal year, the following procedures will be instituted:
    - An ASO that experiences a compliance issue of a less severe nature will receive one or more of the following: increased contract monitoring, technical assistance, or training specific to the identified need. The ASO must demonstrate compliance with all stated deficiencies for a term of six months prior to being deemed “in compliance.”
    - An ASO that experiences a compliance issue of a more severe nature will receive one or more of the following: increased contract monitoring, technical assistance, training specific to the identified need, a reduction or withholding of reimbursement, or may be subject to a time-limited contract. The ASO must demonstrate compliance with all stated deficiencies for a term of six months prior to being deemed “in compliance.”
    - An ASO that experiences a compliance issue of a serious and extreme nature will be placed on Corrective Action and become ineligible for funding beyond the current fiscal year allocation. In addition, the Lead Agency or sub-contract will receive one or more of the following: increased contract monitoring, technical assistance, training specific to the identified need, a reduction or withholding of reimbursement, or may be subject to a time-

limited contract. The ASO must demonstrate compliance with all stated deficiencies for a term of six months prior to being deemed "in compliance" and eligible to compete for new or enhanced funding.

7. An Administrative Services Organization acting as Lead Agency is responsible for monitoring the contract compliance of its contracted programs/agencies. A program/agency failing to meet contract requirements under the ASO is ineligible to receive additional money for new or expanded (defined in the JWB contract) programming from JWB and must meet the terms of a Corrective Action Plan.
8. Since JWB accepts National Accreditation (COA, CARF, JCAHO) ~~in lieu of an A.S.S.E.T. Certification~~, an agency whose National Accreditation is in jeopardy or suspended is not eligible for additional funding. Any change in accreditation status requires written notification to JWB within five working days. In addition, the agency will be subject to the terms of a Corrective Action Plan and may face:
  - Reduced or withheld reimbursement
  - A time-limited contract
  - ~~Full A.S.S.E.T. evaluation~~
  - Contract termination

## B. Program Reports and Monitoring

A quarterly report shall be submitted to the Board regarding contracted programs' compliance with general conditions. A report on achievement of program objectives by contracted programs shall be submitted annually.

~~All JWB funded agencies will complete the A.S.S.E.T. Comprehensive Program Review at least once every three years, except:~~

- ~~• Agencies in good standing with the Council on Accreditation; the Commission on Accreditation of Rehabilitation Facilities, or the Joint Commission on Accreditation of Healthcare Organizations. However, an agency may be required to participate in an A.S.S.E.T. review if there is a noted decline in any performance indicators.~~
- ~~• Agencies receiving short-term or one-time only funds will receive annual fiscal reviews.~~

All agencies applying for or receiving JWB funds are required to submit or make available any materials requested by staff in order to verify the healthy status of the agency, including but not limited to:

- Agency budget
- Audits
- Balance sheets
- Human Resource documents
- Client files
- Access to clients, staff, and Board members for interviews
- Agency policies and procedures

## IV. Fiscal Policies

### A. Fund Disbursement

JWB funding is provided on a reimbursement or per diem basis.

JWB will contract for residential and shelter programs, such as runaway, homeless, substance abuse and domestic violence programs, on a per diem or unit cost basis. The terms of these contracts will be established by JWB at the onset of each fiscal year, and may include line item reimbursement for specifically approved program expenses.

## **B. Review of Standard Contract**

JWB staff shall review the JWB contract template including general conditions annually, and recommend changes, as appropriate, for Board action.

## **C. Advances**

Requests for advance funds which exceed one-tenth of an agency's JWB allocation, or \$100,000 total per agency, must be approved by the Board. Lesser amounts may be approved by the Executive Director. All advances must be reconciled by the end of the fiscal year in which they are provided, or contracts will not be issued for future years. A program requesting advance payment(s) must meet all of the following conditions:

1. The Executive Director must certify in writing that the agency's liquid assets available to fund the JWB-supported program do not exceed one-tenth of the program's JWB annual allocation. Liquid assets include cash, marketable securities, and net receivables due within 30 days. Restricted assets, as defined by the American Institute of Certified Public Accountant's Audit Guide, are excluded from consideration.
2. Certify that they do not hold in excess of three months' operating funds at the time of the request.

## **D. Budget Roles of Board and Executive Director**

Prior to issuance of the contract, agencies may request allocation adjustments between programs, to be approved by the Executive Director (OHD).

Except for pilot programs, measurable outcomes and contracted service levels may only be adjusted at the beginning of each contract cycle, with approval of the Executive Director (OHD).

Contracts for Board approved program allocations which are not timely executed will be reported to the Board for possible reallocation of funds.

No contracted agency may use JWB funds to sub-contract with another provider without prior approval of the JWB Executive Director (OHD).

The Executive Director also has authority to execute annual contracts up to \$25,000 and is directed to report on a monthly basis to the Board all expenditures.

The Board shall approve all lease agreements pertaining to occupancy and real estate.

## **E. Delegation of Limited Budget Authority**

JWB funded agencies may request adjustment to JWB approved line items, in accordance with these Board policies.

## **F. Lapse Funds**

Annually, following the completion of the JWB audit, staff will monitor lapsed funds for all program allocations and may recommend reductions in agency contract allocations in subsequent contract years.

## **G. Emergency Response Policy**

### **1. JWB Payroll**

JWB staff who are displaced by a disaster and are unable to perform routine or special duties during the period of disaster and disaster recovery will continue to receive their normal compensation for a period of at least 60 days, provided the Executive Director concurs in the circumstances contributing to the employee's inability to work. This compensation period may be extended, at the discretion of the Board, upon recommendation of the Executive Director.

### **2. JWB Support of Funded Programs**

JWB will continue to fund previously approved programs for a period of at least 60 days after a disaster has been declared, provided the program agrees to comply with requests of JWB and/or

the Human Services Disaster Recovery Task Force. This period may be extended or shortened at the discretion of the Board, upon recommendation of the Executive Director.

3. Fixed Rate Payments

For the duration of a disaster and disaster recovery, the Executive Director shall be delegated the authority to allocate funding at his/her discretion to funded programs on a fixed rate basis (up to one-twelfth of the program's approved annual JWB allocation, adjusted for any normal operational costs that will not be incurred during the disaster recovery period).

4. Coordination with Other Health and Human Service Agencies

JWB participation in the Human Services Disaster Recovery Task Force may include support for agencies and programs not currently funded within the Board's mandate. The Executive Director is delegated the authority to approve emergency contracts for such funding to meet urgent needs, utilizing the Board's designated Emergency Reserve. The Executive Director shall report to the Board regarding the use of Emergency Reserve Funds, and will seek their approval whenever practicable.

5. Emergency Capital Expenditures

During the period of a disaster-related emergency, the Executive Director is authorized to utilize Building Funds for emergency repairs to or supplies for JWB properties. The Executive Director shall report such expenditures to the Board.

## H. Investment Policy

1. Scope

This investment policy applies to activities related to all financial assets, which shall be accounted for in the JWB Annual Financial Report.

2. Objectives

The objectives of the Investment Policy are to minimize risk (safety); to ensure that investments mature when the cash is required to finance operations (liquidity); and to ensure a competitive rate of return (income).

Funds will be invested in accordance with Florida Statutes, Chapter 280 "Security for Public Deposits" and Florida Statutes, Chapter 218.405 "Special districts: investments."

3. Delegation of Authority

The Finance Director is designated as the Investment Officer of JWB, and is responsible for investment decisions and activities, under the direction of the Director of Contract Management, Finance and Research, the Executive Director, and governed by Board policy. The Finance Director shall develop and maintain written administrative procedures consistent with these policies for the investment program. The investment commitment shall depend on financial and staffing considerations given the amount of revenues available.

4. Performance Measurement

The Investment Officer will routinely monitor the investments. The benchmark measurement for performance of investments will be the U.S. Treasury index and the Money Fund Report Averages™, comparable in maturity to the average life of the portfolio.

The monthly investment reports submitted to the Board shall contain sufficient information to evaluate the monthly performance of the investment program.

5. Ethics/Prudence

The standard of prudence to be applied by the Investment Officer shall be the "prudent investor rule", in accordance with the Government Finance Officers Association, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The "prudent investor rule" shall be applied in the context of managing all funds.

The Investment Officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported immediately, and that appropriate action is taken to control adverse developments.

#### 6. Authorized Investments

All investment services must be acquired in accordance with the rules of the Department of Insurance, Division of Treasury which establish procedures for the administration of the "Florida Security for Deposits Act", which is encompassed in the Florida Statutes.

Through the course of the fiscal year, available cash may be invested in one of the following securities:

- a. State Investment Pool. The Florida Local Government Surplus Funds Trust Fund (SBA).
- b. Collateralized Repurchase Agreement.
- c. U.S. Treasury Obligations. Negotiable direct obligations, or obligations the principal and interest of which are unconditionally guaranteed by the U.S. Government. Such securities include, but are not limited to: Treasury bills, notes or bonds, and Treasury strips.
- d. U.S. Agency Obligations. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by U.S. agencies, provided the full faith and credit of the U.S. Government back such obligations. Such securities include, but are not limited to, the Farmers Home Administration, the Federal Financing Bank, Federal Housing Administration Debentures and Government National Mortgage Association (GNMA).
- e. Federal Instrumentalities. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by U.S. Government agencies (Federal Instrumentality), which are non-full faith and credit agencies. Such securities include, but are not limited to, Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (Freddie Mac), and Student Loan Marketing Association (Sallie Mae).
- f. Commercial Paper rating, by either Moody's or Standard & Poor's, of A1+ / P1+ (prime commercial paper) or better at the time of purchase.
- g. Certificates of Deposit. Non-negotiable interest bearing time certificates of deposit or savings accounts in banks organized under the laws of the United States and doing business and situated in Florida, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes, and provided that the bank is not listed with any recognized credit watch information service.
- h. Money Market Funds. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- i. Time deposits. Interest-bearing time deposits or savings accounts in qualified public depositories, as defined by Section 280.02, Florida Statutes.

#### 7. Maturity & Liquidity Requirements

Investments of the JWB will allow for the day-to-day liquidity needs. Therefore, investments will be made in accordance with anticipated cash need and cash flow requirements. JWB shall limit its maximum maturity to 2 years unless specific authority is given to exceed that limitation.

#### 8. Portfolio Composition

The investment portfolio of the JWB shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the risk constraints and cash flow characteristics of the JWB. Guidelines for the maximum limit for diversification are as follows: State Investment Pool 75%; Repurchase Agreements 50%; U.S. Treasury Obligations 100%; U.S. Agency Obligations 75%; Federal Instrumentalities 75%; Prime Commercial Paper 50%; Certificates of Deposit 25%; Money Market Funds 100%; and Time Deposits 25%.

9. Risk & Diversification.

The JWB recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Diversification is a way to control risk. The investment management is expected to be prudent and act in a way to minimize default risk. No single investment transaction shall be undertaken that jeopardizes the total capital position of the JWB.

The Finance Committee will annually evaluate and modify the investment policy and the JWB portfolio of current investments.

10. Authorized Investment Institutions & Dealers

Contracts shall be obtained only with credit worthy institutions and those institutions possessing a certificate of qualified depository with the State of Florida.

11. Third-Party Custodial Agreements

If arrangements are made for the holding of security assets by a third party, the assets and/or collateral shall be designated as JWB funds. Such assets shall not be withdrawn by anyone except an authorized JWB staff member. Such transactions between a custodian and an institution involving the sale or purchase of assets by transfer of money shall be made on a "delivery vs. payment" basis.

12. Master Repurchase Agreement

All authorized institutions involved in direct repurchase agreement transactions on behalf of the JWB shall execute and perform these transactions according to a Master Repurchase Agreement.

13. Bid Requirement

When purchasing or selling securities, the Director of Finance shall select the security which meets the parameters of this policy, using a competitive bid process when deemed feasible and appropriate. Comparison to current market prices, as indicated by one of the market pricing resources, may also be utilized.

14. Internal Controls

The Director of Finance shall establish and document a system of internal controls and operational procedures designed to prevent the loss of funds by fraud, employee errors, imprudent actions, and misrepresentations by third parties. A review of such internal controls by independent auditors shall be a part of any financial audit of the JWB.

Bank Trust receipts or safekeeping confirmations will be accepted in return for investment of temporarily idle (surplus) funds, as evidence of actual delivery of the obligations or securities. The actual obligations or securities can be held by a third-party custodial bank. The receipt should fully describe the obligations or securities held, together with a specific identification number.

Along with adequate separation of duties among Fiscal Management staff, written documentation of telephone or electronic transactions will be maintained.

15. Reporting

The Director of Finance shall report banking and investment results to the Board on a monthly basis. The Annual Financial Report shall reflect the status of JWB's monetary assets, as required by the Governmental Accounting Standards Board and the State of Florida.

16. Continuing Education

The Director of Finance, the Director of Contract Management, Finance and Research, and appropriate staff shall annually complete eight (8) hours of continuing education in subjects or courses of study related to investment practices and products.

## **I. Purchasing Policies**

### **1. Purchasing Policy**

The JWB shall adhere to prudent financial management practices and applicable governmental standards for purchasing.

- a. Items with a total cost of less than \$1,000 may be purchased by phone or other contact between the Purchasing Unit and Supplier, using buyer experience and knowledge. (Competitiveness is stressed for orders under \$1,000.)
- b. Items with a cost of between \$1,001 and \$5,000 will be purchased on the basis of a minimum of three oral bids which shall be documented or three written quotations.
- c. Items with a cost of between \$5,001 and \$25,000 will be purchased on the basis of a minimum of three written quotations or an RFP.
- d. Items with a cost in excess of \$25,000 require an RFP, Invitation to Bid or Invitation to Negotiate to be issued, and are awarded through Board approval.
- e. All contracts in excess of \$25,000 will be thoroughly reviewed at least every 5 years. Recommendations for either continuation funding, program restructuring, re-bidding or contract termination will be brought before the Board for approval. In the intervening years, contracts warrant formal staff review for continued funding.
- f. This policy supersedes any prior conflicting policy.

## **J. Record and Inventory of JWB Property**

The JWB Finance Director shall establish by rule, in accordance with Ch. 274, Florida Statutes, the requirements for the recording of property to include equipment, fixtures, and other tangible personal property of a nonconsumable and nonexpendable nature. This shall include the annual review of property for inventory purposes, and specific guidelines for the acquisition, supervision and control, disposition of surplus, and lost and stolen property.

## **K. Authorized Expenditures**

1. Board members receive no salary or other compensation for service on the Board; however, members may receive reimbursement for travel and related expenses when such travel is in the interest of the agency, including conferences that offer content related to (or supporting) the goals and purpose of JWB. Reimbursement shall be on the same basis as staff is reimbursed, as provided by the personnel policies and travel regulations.
2. Where JWB staff are authorized to use their privately owned vehicles for any category of travel on official JWB business, they shall receive reimbursement at the rates announced by the IRS as the standard mileage rates for computing the deductible costs of operating an automobile for business purposes. This rate shall be benchmarked to the IRS rate and change accordingly on October of each fiscal year.
3. Upon a determination by the Executive Director that an expenditure recognizes and signifies special contributions of employees, potential employees, community service groups, community professionals, volunteers, members of unpaid boards, councils, committees and corporate sponsors of JWB programs or programs of service to the community, the expenditure of funds for any of the following is authorized:
  - a. Non-alcoholic refreshments at JWB sponsored functions.
  - b. All or a portion of the cost of meals or miscellaneous expenses in connection with JWB sponsored special meetings, strategic planning meetings, educational or training programs, recognitions or award ceremonies, and other similar special events, (not including boards that receive compensation, employee staff meetings, employee training meetings, or other meetings of a similar type).
  - c. Reimbursement of travel, moving, and related expenses in connection with recruitment of employees at the director level or higher, or for professional or technical positions, approved by job classification in advance.

- d. Frames, plaques, certificates, trophies, pins, paperweights and other suitable tokens of recognition to acknowledge significant contributions by employees, volunteers, other individuals, advisory board members, or other groups or organizations.
- e. Token prizes including savings bonds, gift certificates, or personal property in connection with JWB sponsored contests and competitions among non-employees.
- f. Souvenirs and other tokens commemorating and or promoting programs, events and undertakings of the JWB.
- g. Other unspecified expenditures approved in advance by the JWB Board of Directors similar in nature to the expenditures authorized herein above.

## L. Fund Balance Policy

1. The JWB shall maintain a prudent reserve fund to assure that it has an adequate capability to respond to changing or emerging community needs, unanticipated funding opportunities, the need to stabilize the millage rate, natural disasters, or emergency situations that threaten to disrupt the orderly delivery of services to families and children in Pinellas County. This policy ensures that JWB maintains adequate fund balance/net assets and reserve in the operating fund to assure the effective management of cash flow for daily financial needs and provide for unforeseen economic downturns, revenue shortfalls and emergencies.

The Board shall adopt and periodically review targets for its designation of fund balance that reflect:

- The statutory prohibition against incurring debt for capital expenses.
  - The unique role of JWB as a funder of ongoing services to families and children.
2. Designations of general fund balances represent tentative plans for future use of financial resources. In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise the limitations on the funds. The fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned.
  3. **Non-spendable** includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually bound. **Restricted** consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law. **Committed** consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the JWB. **Assigned** consists of amounts that are constrained by the JWB's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the JWB Board or the Executive Director as established in the Board's Policy. **Unassigned** represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund.
  4. The total designation of fund balance, less third party non-spendable or restricted funds of JWB, shall not exceed 20% of the budgeted expenditures for the immediate succeeding fiscal year as established by Board action during the budget process.

The Board shall identify both its unassigned and committed / assigned cash reserves.

- a. The "Committed and/or Assigned fund balance" includes:
  1. Those sums from the prior year(s) that are budgeted for expenditure in the immediate succeeding fiscal year (cash forward).
  2. Those sums necessary to sustain mandated reserve levels.
  3. Those sums dedicated to a future capital expense for building expansion or construction.
  4. Those sums which, by formal action, the Board has committed to expend in succeeding fiscal years.
- b. The "Unassigned fund balance" is the difference between the total fund balance less all other components defined.

1. JWB shall maintain an emergency reserve within the Unassigned fund balance of at least 3% of the budgeted expenditures for the immediate succeeding fiscal year to meet the requirements of natural disaster or similar calamitous events.
2. JWB shall seek to maintain a total unassigned fund balance that shall not exceed 10% of the budgeted expenditures for the immediate succeeding fiscal year.

## **M. Adjusted Administrative Cost Rate**

The Board shall establish an adjusted administrative cost rate as part of the annual budget process.

## **V. Appeal Process**

1. Agencies may appeal any decision that impacts their funding status.
2. A written letter of appeal should be mailed to:  
Executive Director  
JWB Children Service's Council of Pinellas County  
14155 58<sup>th</sup> Street North  
Clearwater, Florida 33760

JWB must receive the written letter of appeal within five (5) working days following receipt of written notification of the decision in question. The appeal must include relevant documentation and evidence that supports the claim, and must be based upon the agency's belief that JWB staff did not appropriately adhere to or apply the Board Funding Policies and Procedures. The agency's written appeal will be considered in the analysis of the grievance, and every attempt will be made to resolve the concern at the staff level.

3. Steps for resolution within a 30 working day period:
  - A meeting will be held with the agency representative and JWB Contract Manager. If unresolved,
  - A meeting will be held with the agency representative, JWB Contract Manager, and Director of Contract Management, Finance and Research. If still unresolved,
  - A meeting with the agency representative, JWB Senior Managers and the Executive Director will be held.
4. If the subject of an appeal is not resolved by mutual agreement through the steps and timeframe identified above, the agency may appeal the staff decision at the next scheduled Board meeting or subsequent Board meeting based on the agency's directive.
5. The agency is responsible for submitting a written request of appeal to the Board within 10 days subsequent to the internal resolution process.
6. The documentation and evidence, previously submitted to staff, as well as facts assembled by the staff, will be provided to the Board, which may, at its discretion, accept the staff recommendation or hear the appeal.
7. The Board may:
  - Render a decision based on the facts provided.
  - Entertain a verbal discussion (involving the agency or JWB staff, or both) at the Board meeting prior to rendering a decision.
  - Request additional information.

Should the Board request additional information, the item will be brought forward at a subsequent meeting for final decision.

- The decision of the Board shall be final.

## VI. Statement on Board Policy Authority

These Board policies supersede any prior conflicting policies and documents.

### Exhibit A - Tiered Compliance Process

#### JWB Children's Services Council of Pinellas County

JWB funded programs are required to comply with all terms and conditions of the contract and JWB policies. Since all requirements do not carry the same level of importance, JWB has established a tiered compliance process. Under the tiered compliance process, compliance issues are weighted based upon each requirement's potential impact on quality service delivery and accountability of administrative operations. A three level process has been established. The higher the level, the more significant the compliance issue. Listed below are the three levels of the tiered compliance process.

**Level 1**      **Minor and/or negotiable issue(s).** The Provider will receive increased contract monitoring, prescriptive training (training specific to the identified need), and technical assistance to address the noncompliance issue(s). Resolution of the issue(s) may be through negotiated reduction in allocation, amendments to measurable objective, or amendments to the program methodology. The Provider must demonstrate compliance with all stated deficiencies for a term of six months prior to being deemed in compliance.

#### **Level 1 Infractions:**

- Failure to adhere to negligible requirements identified in:
  - General contract conditions
  - Special contract conditions
  - SAMIS Business Rules
  - Measurable Objective(s)
  - Program Methodology.
- Failure to submit documents to JWB within thirty calendar days of board approval (board meeting schedule, board membership roster, board meeting minutes, continuation funding application, monthly financial statements – if required).
- Lapse of JWB allocation exceed 7%.
- Staff vacancies exceeding 90 calendar days.

**Level 2**      **Issue(s) of a more severe nature.** One or more of the following actions will occur: the Provider will receive increased contract monitoring, prescriptive training, and technical assistance to address the issue(s), the Provider is issued a time limited contract (less than twelve month contract), reduction or withholding of reimbursement. The Provider must demonstrate compliance with all stated deficiencies for a term of six months prior to being deemed in compliance.

#### **Level 2 Infractions:**

- Failure to document subcontract service provider monitoring.
- Failure to maintain documentation of data reported in SAMIS or other reports submitted to JWB to evaluate agency/program performance.
- Failure to submit an annual agency audit (and management letter, if issued) within 120 calendar days of the close of the agency's fiscal year.
- Failure to complete a national level II background check.

### Level 3

**Serious or extreme nature.** JWB and Provider establish a Corrective Action Plan (CAP) and one or more of the following actions will occur: ~~A.S.S.E.T. revocation~~, the Provider is issued a time limited contract (less than twelve month contract), reduction or withholding of reimbursement, or contract termination. The Provider is ineligible to receive additional JWB funding while implementing a CAP. The Provider must demonstrate compliance with all stated deficiencies for a term of six months prior to being deemed in compliance.

#### Level 3 Infractions:

- Failure to adhere to the same contract requirement or JWB policy for the current fiscal year and subsequent fiscal year.
- Failure to successfully implement a required action identified in the previous year annual site review/fiscal report/~~ASSET report~~.
- Failure to meet Measurable Objective(s) or adhere to Program Methodology in two consecutive years.
- Failure to successfully implement a Corrective Action Plan within ten months.
- ~~Failure to secure ASSET recertification or~~ National Accreditation (COA, CARF, JCAHCO) in jeopardy or suspended.
- Indication of poor fiscal management such as excessive disallowances (\$5,000 or more), negative fund balances, or withholding payments for program expenses already reimbursed by JWB. "Going concern" reported in agency's annual audit or management letter. Concerns for fiscal soundness (late payments to vendors and subcontractors, agency-wide quick ratio of less than 1:1, significant and on-going deficit in the operation of one or more programs).
- Experiencing a compliance issue of a serious and extreme nature jeopardizing JWB's reputation for prudent expenditure of public funds.