

CAROLINA FAMILY HEALTH CENTERS, INC. PROCEDURE

TITLE: FIN-124.01 Grants Management

EFFECTIVE DATE: December 2018

SECTION: Finance

REFERENCE POLICY: FIN-124 Grants Management

RESPONSIBLE CHIEF OF STAFF: Chief Financial Officer

RESPONSIBLE COMMITTEE: Finance CIT

REVIEWED: 11/17/2021, 02/08/2022, 06/27/2022, 08/19/2024, 11/17/2025

I. PURPOSE

The purpose of this procedure is to establish the guidelines of Carolina Family Health Centers, Inc. (CFHC, Inc.) for the administration of grants.

II. PROCEDURE

Grant Accounting

Each grant is assigned an individual general ledger account number code to record all fiscal transactions. All individual grant revenues and expenditures are coded to the assigned account code. Salary and fringe benefit costs incurred by grant support staff are identified and actual expenditures coded to the grant. Salaries and fringe benefits are charged to the grant directly through the payroll process. All salary expenditures are supported by adequate documentation as required by the grantor agency and any regulating documents.

Grant Reporting and Auditing

The Chief Financial Officer (CFO) is responsible for ensuring that:

- All grant funds are expended in accordance with specific grant requirements and regulations;
- Fiscal and programmatic reporting requirements are followed; and
- Expenditures of Federal award funds are allowable in accordance with the terms and conditions of the Federal award and with the Federal Cost Principles (see 2 CFR Part 200 Subpart E).

The Finance Department maintains reports for review by auditors, grantor representatives, and other agencies. Reports are approved by the Board of Directors as required and appropriate.

Financial reports are maintained by the Finance Department until all audits have been accepted by the grantor for three fiscal years, or for such other length as is specified by the grantor. The Finance Department maintains grant files and supporting information available for annual audit review. Any audit finding and/or questioned costs by a grantor resulting from an audit require a written response to the Board of Directors and the grantor, if required by the grantor.

Federal Grant Budget Application

CFHC, Inc. develops an annual budget included in grant applications to the Health Resources and Services Administration (HRSA). The HRSA Section 330 grant budget:

- Identifies the projected costs of CFHC, Inc.'s HRSA-approved scope of project;
- Identifies the portion of projected costs to be supported by the HRSA Section 330 grant award funds, consistent with Federal Cost Principles (2 CFR Part 200 Subpart E: Cost Principles) and any other requirements or restrictions on the use of Federal funding; and
- Includes all other anticipated non-Federal revenue sources that are expected to support CFHC, Inc., including:
 - Revenues from state, local, and/or other Federal grants or contracts;
 - Fees, premiums, and third-party reimbursements and payments that are generated from the delivery of services;
 - Private support or income generated from contributions; and
 - Any other funding expected to be received for purposes of supporting the operations of CFHC, Inc.

The HRSA Section 330 grant budget is submitted annually by a date specified by HRSA for approval through the Federal award process.

Federal Grant Revenue Receipt and Recording

HRSA Section 330 grant funds are drawn based upon a schedule determined by the CFO. Grant revenues received by CFHC, Inc. are deposited into the appropriate bank account within two business days after the receipt of funds and credited to the appropriate grant revenue account code, unless an exception is approved by the CFO. Grant revenues or reimbursements are not credited to expenditure or entered into a deferred revenue account unless approved by the CFO. Federal funds will be expended within three business days of receipt or fully expended before drawn down. CFHC, Inc. limits drawdown of federal funds to minimum amounts needed to cover allowable project costs.

State Grant Budgets Application

CFHC, Inc. develops an annual budget included in grant applications to the appropriate grantor. The grant budget:

- Identifies the projected costs of CFHC, Inc.'s scope of project;
- Identifies the portion of projected costs to be supported by the grant funds.
- Includes all other anticipated State revenue sources that are expected to support CFHC, Inc., including:
 - Revenues from state, local, and/or other Federal grants or contracts;
 - Fees, premiums, and third-party reimbursements and payments that are generated from the delivery of services;
 - Private support or income generated from contributions; and
 - Any other funding expected to be received for purposes of supporting the operations of CFHC, Inc.

The grant budget is submitted at least annually as specified by the grantor.

State Grant Revenue Receipt and Recording

CFHC, Inc. submits to the Division Contract Administrator a signed Monthly Expenditure Report (MER) or a Contract Expenditure Report (CER). MER's and CER's are provided by the

Division Contract Administrator at the beginning of each grant period. A request for payment is submitted by email for services rendered for the previous month by the 10th of each month. Upon approval, the Division processes payment to CFHC, Inc. Grant revenues or reimbursements are credited into our accounting system by account and grant code.