

CAROLINA FAMILY HEALTH CENTERS, INC. POLICY

TITLE: FIN-120 Financial Reporting

EFFECTIVE DATE: October 2000

SECTION: Finance

REFERENCE PROCEDURE: FIN-120.01 Financial Reporting

RESPONSIBLE CHIEF OF STAFF: Chief Financial Officer

RESPONSIBLE COMMITTEE: Finance CIT

REVIEWED: 12/03, 08/13, 12/13, 05/15, 04/17, 09/18, 09/28/2021, 08/23/2022, 02/25/2025, 11/25/2025

I. PURPOSE

The purpose of this policy is to ensure Carolina Family Health Centers, Inc. (CFHC, Inc.) is using proper recording of financial transactions and verify the parties responsible for both internal and external financial reporting.

II. POLICY

CFHC, Inc. complies with all legislative (statutory, regulatory, and policy); and compliance requirements mandated by the Health Resources & Services Administration (HRSA). Refer to *FIN-124 Grants Management*.

CFHC, Inc. maintains effective control over, and accountability for, all funds, property, and other assets in order to adequately safeguard all such assets and ensure that they are used solely for authorized purposes.

CFHC, Inc. maintains internal control systems that reflect Generally Accepted Accounting Principles (GAAP).

Financial reports are prepared and presented to the Finance Committee and the Board of Directors.

Regulatory reports are prepared and submitted to the appropriate requesting agency within the time limits requested.

An independent auditor's report is prepared after each fiscal year-end. As CFHC, Inc. receives and expends more than \$1,000,000 in federal/state funds each year, a single or program-specific audit is conducted each year in accordance with 2 CFR Part 200, audit requirements.

It's the Chief Financial Officer (CFO) responsibility to ensure audit services are sent out for bid at least every five years. Request for Proposal (RFP) is submitted to at least three audit firms, and one of the three RFP's may be sent to the existing auditor. Audit firms receiving an RFP will have at least one community health center client. The Board of Director selects the auditor.