

CAROLINA FAMILY HEALTH CENTERS, INC. POLICY

TITLE: FIN-142 Ryan White Program Income

EFFECTIVE DATE: April 25, 2023

SECTION: Finance

REFERENCE PROCEDURE: N/A

RESPONSIBLE CHIEF OF STAFF: Chief Financial Officer

RESPONSIBLE COMMITTEE: Finance CIT

REVIEWED: 05/23/2023, 11/25/2025

I. PURPOSE

The purpose of this policy is to outline Carolina Family Health Centers, Inc. (CFHC Inc.'s) methodology of how Ryan White (RW) Program income and expenses are calculated following the federal guidelines.

II. POLICY

It is the policy of CFHC, Inc. to ensure that adequate controls are in place in creating and following a methodology for RW Program income and expenses. As noted in the PCN 15-03, program income may be utilized for elements of the program that are otherwise limited by statutory provisions, such as administrative and clinical quality management activities that might exceed statutory caps, or unique services that are needed to maintain a comprehensive program approach but that would still be considered allowable under the award. CFHC, Inc. also refers to 2 CFR Part 200.307 to ensure compliance.

Program income is defined as gross income earned by CFHC, Inc. that is directly generated by a support activity or earned as a result of the RW Program federal award during the period of performance.

Due to the complexity and time needed to provide a vast array of services and oversight for our RW patients, the ratio of the RW associated grant funding to other grant funding reflects these efforts and how they compare caring for a RW patient compared to the general population. The following methodology is adopted by CFHC, Inc.:

- Program Income:
 - Once a year, CFHC, Inc. calculates an estimated RW Program income by dividing total RW eligible patients by total patients. The percentage of RW eligible patients is multiplied by the total receipts to calculate the estimated RW overall program income.
 - A journal entry is completed monthly to enter this amount into the accounting system's general ledger. This amount is kept separately on the RW Program's financials, notated monthly.
- Expenses:

- Once a year, CFHC, Inc. calculates the estimated RW expenses by dividing the total RW grant funding by total grant funding (minus capital grants and COVID-19 funding). This percentage is used to determine percentage of expenses to apply to allowable costs.
- Expenses attributed to the RW Program include staff from front office, housekeeping, peer support, Electronic Medical Record expense, pharmaceutical co-pays for persons living with HIV/AIDS, nutrition expenses, RW outreach testing costs, and health insurance benefits not paid by the grant, RW staff meeting expenses, retention/recruitment for staff applied to grant and program income, and/or expenses that exceed grant budget and company expenses that are not paid through other grants. This amount is maintained separately on the RW Program's financials, notated monthly.