

V. Fiscal Policies for Grantees

Please Note: These policies are guidelines which have been reviewed by the Commission. Grantees with questions or concerns about these policies are encouraged to contact Commission staff.

A. Administrative and Indirect Costs Policy

For Commission-funded programs, the total Indirect Cost allocation to a grant may not exceed 15% of total Personnel costs (Salaries plus Benefits). In addition, the total of Administrative and Indirect Costs may not exceed 12% of the total grant budget.

Grantees must provide line-item detail for Administrative Costs. Indirect Costs should be presented as one line item equal to 15% of total Personnel costs.

Please note that these are guidelines. Commission Staff will review any exceptions to this policy on a case-by-case basis.

Definitions:

Administrative Costs are generally defined as direct costs that support the service or program being funded but are not explicitly part of the program. The Commission recognizes that these costs are necessary for the proper management of the program and are reimbursable expenses. Examples of Administrative Costs would be rent, utilities, office supplies and insurance.

Indirect Costs are defined as costs that are not directly traceable to the program and are generally expressed as a percentage of personnel or total costs. The Commission recognizes that these costs may be necessary for the proper management of the program and may be reimbursable expenses. Salaries for non-programmatic staff such as the Executive Director, Accounting staff or Administrative Manager would be examples of Indirect Costs.

B. Evaluation

In order to collect and analyze the evaluation data required by the Children and Families First Act, grantees are required to participate in the Commission's data management and evaluation systems. The Commission recognizes that these costs are necessary and are reimbursable expenses.

The total costs for Evaluation activities may not exceed 5% of the total budget. Larger requests will be considered on a case-by-case basis.

C. Capital Expenses

The California Children and Families Commission does not fund capital assets and matching funds from the state commission should not be used for these purchases. First 5 San Francisco will fund minor capital assets (i.e. furnishings) on a case-by-case basis only.

D. Advances

Upon execution of a new contract, an advance payment equal to 1/6th of the total award (or two prorated months of funding) may be disbursed to any grantee requesting an advance. In the case of a delayed contract renewal, the amount of the advance will be based on the number of months of the delay.

The advance will be recovered in the first six months of the grant year by deducting 1/6th of the total advance from each month until the total advance is recovered. To request an advance, a grantee must write a brief letter to Commission Staff on agency letterhead, with the signature of the Executive Director.

Execution of a contract: A contract is considered fully executed when both the grantee and Commission Staff have signed the grant agreement, and the document has been assigned a grant number by the DCYF fiscal unit.

E. Budget Revisions

All budget revisions must be submitted in writing to Commission Staff for approval. The request must be accompanied by a narrative describing the requested revisions in some detail. After ensuring that the budget revision does not change the grantee's Scope of Work, Commission Staff will either approve or reject the request. If approved, the changes to the grant budget must be made in the CMS system by the grantee.

Budget revisions redirecting from program costs that directly benefit children to administrative or indirect costs are strongly discouraged, but not prohibited with appropriate written justification.

F. Unspent Funds

In any grant year, First 5 may allow a grantee to rollover unspent funds from the approved grant budget for that year to the following grant year. However, all rollover requests are reviewed and approved by Commission Staff in the context of negotiating each grant year budget. If a significant amount of unspent funds are left at the end of any grant year, the Budget Committee will be informed. If any unspent funds remain at the end of the final grant year, the Commission may approve an extension of the grant or, alternatively, may determine that the funds will remain with First 5.

G. Audit Requirements

First 5 requires annual submittal of audited financial statements, completed by a reputable accounting firm. The report of the certified audit should be submitted to Commission Staff during the fiscal site visit.

H. Insurance Requirements

All agencies must have current insurance certificates on file with First 5. Grantees must have general commercial liability, auto liability, fidelity, and workers' compensation insurance. Expired certificates will delay the invoice approval process.

As per the grant agreement, insurance certificates must name the City and County of San Francisco and the Children and Families Commission as an "additional insured" and grantees must provide 30 days advance notice for policy cancellations. See Article 10 of the grant agreement for specifics.

I. Subcontracts

Subject to approval by Commission Staff, a grantee may subcontract a portion of a scope of work to a subcontractor. The subcontractor should be named in the Grant Agreement document in Appendix E. In general, the subcontractor should meet the requirements of the City and County of San Francisco for contracting agencies.

J. Contract Processing

Once a grant amount has been approved by the Commission, Commission staff will initiate a grant agreement form with signature approval by the grantee, city attorney and First 5 Commission Staff. Commission Staff will also work with the grantee to finalize a scope of work and budget.

Grant Agreement Documents will include: the term of the grant; the amount of the grant for the current year; and the amount of the allowed advance, if any.

VI. Contracting Procedures

A. RFP Process

First 5 San Francisco awards grants through an open solicitation process. The procedures followed to solicit, review and approve grants will be in general conformance with the policies of the City and County of San Francisco governing similar activities.

The unique constitution of the formation of this Commission allows for exemption from certain policies of the city and county. In cases where a deviance from these policies will be implemented, Commission Staff will seek approval of the full Commission or its committee designated for this purpose.

The following steps are required for new Requests for Funding:

1. Commission Staff will propose a scope of work and budget for an initiative. The proposed scope of work and budget are to be approved by the Budget Committee. The scope of work and budget are incorporated into a procurement document - RFA, RFQ, RRP or other - for distribution to the public. In addition to the scope of work and budget the procurement document may include a description of grant award selection criteria, description of the procurement process, application requirements and forms.
2. Commission staff will provide public notice of funding opportunities via emails to the Commission's contact list, posting on the Commission's website and public notice advertisement.
3. If appropriate, a bidder's conference may be held to clarify questions regarding the application.
4. Commission staff will assemble external reviewers to score and rank the proposals. The rank order of proposals' scores from the review panel will constitute a funding recommendation to the Commission.
5. Staff will certify the recommended grants with the Budget Committee & Program Committees, which may amend the list of recommended grant applicants.
6. Staff will pursue grant negotiations with agencies approved by the Committees. Negotiations allow staff to refine proposed activities and budgets, so that review panel, staff and Commissioner issues can be addressed.
7. Final scopes of work and budgets are reviewed and approved upon request by the full Commission.

B. Payments to Grantees

First 5 grants are implemented on a cost-reimbursement basis. As such, grantees must fill out on-line invoice forms monthly in order to draw down grant funding. Grantees electronically invoice First 5 through our secured website at <http://www.sfkids.org>.

General Guidelines for Invoicing:

1. We encourage grantees to invoice First 5 by the 10th day of the month following the month billed. This allows grantees to get their reimbursement in a timely fashion; in addition, First 5 must receive timely monthly billings in order to properly fulfill audit requirements. With the exception of the final invoice (which will be reimbursed up to 90 days after the end of the contract period), grantees must invoice First 5 within 60 days after the closing of each month. Persistent failure to submit invoices in a timely manner could result in financial penalties and in default pursuant to Section 11.1 of the grant agreement.
2. Multiple invoices or late invoices submitted to First 5 may result in delayed payment and potential default of the grant.
3. First 5 staff should be able to compare invoices to the items included in the grantee's approved budget. Additional personnel positions or new expense categories should not be included on invoices. Cost allocations to First 5 should not change during the grant year unless there is an approved Budget Revision to do so (see section entitled "Budget Revisions").
4. First 5 will not require grantees to submit monthly receipts or personnel records with their invoice, unless required by Commission Staff. Backup information for all expenditures will be reviewed at the fiscal site visit (see section entitled "Fiscal Site Visit Protocol").
5. Grantees must allow for time to process the invoices.
6. If a grantee has questions or issues with an invoice, they should contact Commission Staff.

C. Non-Compliance

The First 5 Program Committee will review the status of each grant semi-annually. Grants can be subject to suspension for non-compliance or a process of probation may be used. Only the Commission can vote to suspend or revoke funding. However, Commission staff may withhold payment of invoices until program reports have been completed and reviewed.