

COMMUNITY-BASED ORGANIZATION CONTRACT TRAINING FOR FISCAL YEAR 2013-14

Office of Management and Budget –
Grants Coordination
October 31, 2013



Delivering Excellence Every Day

**OFFICE OF MANAGEMENT AND BUDGET
GRANTS COORDINATION**

COMMUNITY-BASED ORGANIZATION CONTRACT TRAINING

Thursday, October 31, 2013

A G E N D A

- I Overview of Contract Changes/Requirements**
- II Line Item Budget Form and Narrative Budget Justification**
- III Resolution # R-700-13: Administrative/Indirect Cost Cap**
- IV Resolution # R-630-13: Due Diligence**
- V Question & Answer Session**



Delivering Excellence Every Day

I Overview of Contract Changes/Requirements



Delivering Excellence Every Day

ACCESS TO RECORDS, ORIGINAL DOCUMENTS AND RETENTION OF COPIES

- Refers to the inspection of original documentation and retention of copies of documents associated with the administrative, fiscal, and programmatic functions of the program(s) supported by Miami-Dade County General Funds.
- OMB has the right to inspect such records and may retain copies of that documentation for verification purposes.
- Agencies must comply with public records requirements set forth in Section 119.0701 of the Florida Statutes.
- The County adheres to the policies outlined in Resolution #R-580-10 to ensure that sensitive information and records provided by agencies remain confidential.



Delivering Excellence Every Day

RELATED PARTY TRANSACTIONS AND DISCLOSURES

- Defined as an arrangement between two parties that are related as family members, stockholders, or corporations during the contract period.
- The contract requires agencies to immediately disclose and justify in writing to OMB-GC such transactions according to Florida Statute #617.0832 (Director's Conflict of Interest).



Delivering Excellence Every Day

ARM'S LENGTH TRANSACTION

Defined as any transaction in which:

- The buyers and sellers of a product act independently;
- Have no relationship to each other;
- Act in their own self-interest; and
- Are not subject to any pressure or duress from the other party.
- Any transactions associated with this agreement that do not meet the guidelines mentioned above must be immediately disclosed and justified in writing to OMB-GC.

PROGRAM INCOME

Refers to:

- Income received by the agency related to the activities funded through the OMB-GC Agreement or
- Generated through the use of the County's General Fund award.
- The agency must track, record, and disclose any program income generated from the program(s) funded through the OMB-GC agreement.
- The agency must use program income to support the same program in the OMB-GC agreement during the contract period.



Delivering Excellence Every Day

FOOD SAFETY AND HYGIENE STANDARDS FOR FOOD PROVIDERS

- Standards will apply to congregate, food bank, home-delivered meal programs, and other programs offering food.
- Agencies must provide proof that they are meeting all applicable local, State, and Federal food safety and hygiene requirements.



Delivering Excellence Every Day

BACKGROUND SCREENING

- Agencies that have programs that provide services to vulnerable populations (e.g. children, elderly, disabled) must update the background checks of its staff at least once every five (5) years or sooner as may be required by applicable law.

Applicable laws include but are not limited to Chapters 39, 402, 409, 394, 408, 393, 397, 984, 985 and 435, Florida Statutes, as may be amended), regulations, ordinances and resolutions, regarding background screening of those who may work with vulnerable persons, as defined by Section 435.02, Florida Statutes, as may be amended.



Delivering Excellence Every Day

CONFLICT OF INTEREST AND DISCLOSURE

All agencies must:

- Maintain a written conflict of interest policy that applies to hiring, client services, and procuring supplies or equipment.
- Prohibit Board members from **voting** on matters relating to this Agreement which may result in the Board member directly or indirectly receiving funds paid by the agency under this Agreement.
- Prohibit Board members from voting on any matters in which they are related to the person or entity seeking a benefit as 1) an officer, director, partner, of counsel, consultant, employee, fiduciary, beneficiary, or 2) a stockholder, bondholder, debtor, or creditor.

(Continued on next slide)



Delivering Excellence Every Day

CONFLICT OF INTEREST AND DISCLOSURE (Cont.)

- Prohibit Board members from directly or indirectly **receiving** any funds paid by the County to the agency under this Agreement.
- Prohibit employees from directly or indirectly receiving any funds paid by the County under this Agreement, with the exception of the employee's salary and fringe benefits or a portion of the employee's salary and fringe benefits.
- Immediately disclose and justify in writing to OMB–GC any business transactions between itself, on one side, and Board members or staff, on the other side, as well as all related-party transactions with shareholders, partners, officers, directors, or employees of any entity that is doing business with the organization.
- Comply with the guidelines of the Florida False Claims Act.



Delivering Excellence Every Day

CONFLICT OF INTEREST AND DISCLOSURE: RESOLUTION OF DISPUTES

- If the County determines that the agency has breached the guidelines of the Conflict of Interest section, then the County shall suspend payment until the matter has been resolved to the County's satisfaction.
- The County may request an opinion from the Miami-Dade Commission on Ethics and Public Trust regarding questions arising under the Conflict of Interest section.



Delivering Excellence Every Day

NOTIFICATION OF CHANGES

- Applies to any change that may affect the County supported program(s).
- Changes must be reported in writing to the County no later than ten (10) days after they occur.



Delivering Excellence Every Day

BOARD OF DIRECTORS ACTIVITIES

A Board meeting is considered official if and only if a quorum is achieved. Agencies must:

- Provide the County with copies of the minutes of those Board meetings in which a properly constituted quorum was achieved.
- Provide the County with a current listing of the members of the organization's Board and update as required.
- The Board list must include the name, title, and contact information, including home and e-mail addresses for each Board member.

It is recommended that Boards meet at least once per quarter as recommended by the Florida Association of Non-Profit Organizations.



Delivering Excellence Every Day

GAAP

- Refers to Generally Accepted Accounting Principles (GAAP).
- Agencies must maintain accounting records that adhere to GAAP guidelines in the United States.
- The GAAP guidelines are available at:
<http://www.fasab.gov/accounting-standards/authoritative-source-of-gaap/>



Delivering Excellence Every Day

INDEPENDENT AUDIT REPORT AND DISCLOSURE

- The County has the right to review any independent audit performed on the agency.
- The agency may also be subject to an internal review (unannounced, random, or otherwise) by OMB-GC.



Delivering Excellence Every Day

AGENCY-WIDE BUDGET

The organization must provide OMB-GC with an Agency-Wide Budget that:

- Displays all projected agency revenues by funding source(s);
- Includes Miami-Dade County General Fund revenue that supports the OMB-GC program;
- Identifies separately by source any other Miami-Dade County revenue;
- Lists projected expenditures for contract period by line item;
- Includes the projected administrative costs across all funding sources; and
- Identifies the **total agency revenue** for FY 2013-14.

The agency must disclose any changes in funding – County or non-County – through the submission of an updated Agency-Wide Budget to OMB-GC no later than thirty (30) days after such changes occur.



Delivering Excellence Every Day

AGENCY-WIDE BUDGET
October 1, 2013 -- September 30, 2014

POST TYPE	BUDGET CATEGORY	SOURCES				TOTALS	PERCENTAGE OF COUNTY ADMIN. COST TO TOTAL ADMIN. COSTS
		MIAMI-DADE OMB-GC GENERAL FUND	MIAMI DADE CULTURAL ARTS GENERAL FUND	USHUD CDBG	WILLIAM J. CLINTON CHARITABLE FOUNDATION		
DIRECT SERVICES	PERSONNEL	\$60,000	\$20,000	\$96,000	\$50,000	\$226,000	
	TRAVEL	\$1,000	\$3,000	\$4,000	\$20,000	\$28,000	
	SUPPLIES (PROGRAM)	\$3,000	\$2,000	\$10,000	\$0	\$15,000	
	EQUIPMENT	\$0	\$0	\$10,000	\$50,000	\$60,000	
	CONTRACTUAL	\$1,200	\$1,000	\$12,000	\$5,000	\$19,200	
	OTHER OPERATIONAL COSTS	\$25,000	\$5,000	\$1,000	\$0	\$31,000	
	SUB-TOTAL DIRECT	\$90,200	\$31,000	\$133,000	\$125,000	\$379,200	
ADMINISTRATIVE/INDIRECT	PERSONNEL	\$7,000	\$2,000	\$2,000	\$15,000	\$26,000	
	TRAVEL	\$0	\$1,000	\$3,000	\$3,000	\$7,000	
	SUPPLIES (OFFICE)	\$1,000	\$1,000	\$7,000	\$5,000	\$14,000	
	EQUIPMENT	\$0	\$0	\$2,000	\$3,500	\$5,500	
	CONTRACTUAL	\$800	\$0	\$3,000	\$0	\$3,800	
	OTHER OPERATIONAL COSTS	\$1,000	\$1,000	\$1,000	\$0	\$3,000	
	SUB-TOTAL ADMINISTRATIVE/INDIRECT	\$9,800	\$5,000	\$18,000	\$26,500	\$59,300	25.0%
TOTALS:		\$100,000	\$36,000	\$151,000	\$151,500	\$438,500	



Delivering Excellence Every Day

II Line Item Budget Form and Narrative Budget Justification



Delivering Excellence Every Day

LINE ITEM BUDGET

The Line Item Budget may contain both Direct and Indirect Program Costs including:

- Personnel
- Fringe Benefits
- Local Travel
- Supplies
- Equipment
- Contractual Services/Costs
- Other Costs



Delivering Excellence Every Day

NARRATIVE BUDGET JUSTIFICATION

- EACH line item of the budget must be justified in the narrative.
- Must be specific, concise, reflect the budget period, and describe the methodology used to allocate shared expenses.



Delivering Excellence Every Day

DIRECT VERSUS INDIRECT COSTS

- Direct Costs are those that can be associated with the provision of services directly to the client.
- Indirect/Administrative/Overhead costs must be explained and specified in the narrative and are subject to a 15% cap **per program**.

OBJECT CLASS CATEGORIES

- Fringe Benefit components for each position (including overall fringe benefit percentage) must be included in the justification.
- Local Travel is only allowable for direct service staff and the reasons for travel must be explained and justified.
- Supplies are only allowable if related to the provision of services under the proposed program.
- Equipment is allowable if related to provision of services under the proposed program.
- Payment for Contractual Services such as food providers, janitorial staff, etc., must be specified by providing a description of hourly rates, job responsibilities, unit costs, etc. REMINDER: All subcontracts must have the prior approval of the County.



Delivering Excellence Every Day

III Resolution # R-700-13: Administrative/Indirect Cost Cap



Delivering Excellence Every Day

ADMINISTRATIVE BUDGET AND 25% ADMINISTRATIVE CAP RULE

- The 25% administrative cap applies to the total agency-wide budget.
- Administrative budget refers to costs that are not tied to the direct provision of services.
- The combined indirect costs from the OMB-GC awards and any other County General Fund awards cannot exceed twenty-five percent (25%) of the agency's total administrative budget.
- HOWEVER the budget for each OMB-GC General Fund supported program cannot have indirect costs that exceed 15% of the program's total allocation.



SAMPLE TOTAL AGENCY-WIDE BUDGET FOR AGENCY WITH MIAMI-DADE COUNTY AS SOLE FUNDING SOURCE

COST TYPE	15% ADMIN. CAP PER OMB-GC ALLOCATION			25% ADMIN. CAP PER TOTAL AGENCY BUDGET		
	BUDGET ITEM	AMOUNT	PERCENTAGE OF TOTAL GRANT AWARD	BUDGET ITEM	AMOUNT	PERCENTAGE OF TOTAL AGENCY ADMINISTRATIVE COSTS
DIRECT	SALARY (Program Director @ 100%)	\$80,000		SALARY (Program Director @ 100%)	\$80,000	
	FRINGES (Program Director @ 100%)	\$8,000		FRINGES (Program Director @ 100%)	\$8,000	
	CLIENT SUPPLIES	\$5,000		CLIENT SUPPLIES	\$5,000	
	SUBTOTAL:	\$93,000	93.0%	SUBTOTAL:	\$93,000	N/A
INDIRECT	ACCOUNTING FEES	\$7,000		ACCOUNTING FEES	\$7,000	
	SUBTOTAL:	\$7,000	7.0%	SUBTOTAL:	\$7,000	100.0%
	TOTAL:	\$100,000		TOTAL:	\$100,000	



Delivering Excellence Every Day

IV Resolution # R-630-13: Due Diligence



Delivering Excellence Every Day

V Question & Answer Session



Delivering Excellence Every Day