

Fiscal Overview

Fiscal Rules - FY 2021

Boston Public Health Commission
Infectious Disease Bureau - Community Based Prevention
FY 2021 Fiscal Rules

General Expectations:

The BPHC Infectious Disease Bureau, Education & Outreach Office expects all contracted providers to expend 100% of their award in accordance with all BPHC policies. Funded agencies will only be reimbursed for deliverables that have been approved in their Scope of Services and Budget upon receipt of appropriate invoices and supporting documentation. Agencies that wish to revise their Scope of Services or allowable costs must submit a proposal to revise the scope/budget prior to any change. BPHC will notify the agency whether the change is approved or not. In addition, it may be required that a program/agency audit be submitted. Failure to meet these expectations may result in suspension or termination of your provider contract.

A. Contract

- a. A complete and signed contract packed should be returned by the agency to BPHC promptly after it's received. BPHC will generate a Purchase Order (PO) number within 30 days of receipt of the signed contract.

B. Invoicing

General Information

1. Agencies must use the standard invoice template provided by the Education & Outreach Fiscal team. Invoices must include agency name and billing address, BPHC Purchase Order (PO) number, current approved budget, invoice amount, cumulative, balance and unique invoice number. Payments are cost reimbursement and are based on the approved budget. Invoices must be formatted by computer; hand written invoices are not acceptable. Only line item budgeted expenses are reimbursed.
2. Agencies must have their invoices signed by a program representative or a contract specialist before submission for payments to BPHC.

3. Invoices should be submitted monthly, within 15 days of the month's end. Each day thereafter will be considered late, therefore non-compliant. Invoices must represent actual monthly expenses. The final invoice must be submitted by **July 15, 2021**.
4. Invoices without the required information or documentation will not be processed for payment. Instead, the agency will be informed of the deficiency to be corrected, and the invoice will be held for **five business days**. If the issue is not resolved after the hold period, the invoice will be deleted from our system and the agency will need to resubmit the invoice. Corrected invoices will not be given payment priority.
5. An invoice must be submitted to BPHC for each month in the contract period. **If no contracted activities occur in a given month, there would be no reimbursable costs; an invoice with a \$0 month total must be submitted.**
6. An invoice requesting payment for **stipend** reimbursement should have the staff's name, the dates, place and hours of services, and a copy of the check. **Cash stipends are unallowable.**
7. An invoice requesting payment for **incentives** reimbursement should have a list of all the clients that received the incentives, the cost per client (cost should be in accordance with the current approved budget and scope of service), the date of distribution and proof of receipt by the client. Agencies with incentives must have a policy on how incentives are distributed and tracked at the agency level. Said policy must be available for review by BPHC at any time during the fiscal year.
8. Any revised or supplemental invoices are to be clearly labeled as such by including the word "**Revised**" or "**Supplemental**" in the "**Invoice Number**" notation and incorporated within the unique invoice number (i.e. SUPPJUL2020). Retroactive billing may only occur when the expense is not billed to another funding source. Documentation of bills to other funding sources may be required.
9. Monthly invoices containing all required information will be paid within 30 days of receipt. The 30-day payment period starts over for corrected invoices. Payment may be held if required reports and data have not been received by BPHC or if fiscal documentation is incomplete; agencies are informed in writing.

Invoices are sent to:

IDBinvoices@bphc.org

Cost Reimbursement

1. Appropriate supporting documents for monthly cost reimbursement invoices include:
 - Payroll registers and labor distribution reports
 - Purchase requisitions accompanied with vendor invoice copy
 - Cancelled checks
 - Copies of vendor invoices
 - Copies of reimbursement/voucher forms
2. The budget on the invoice must illustrate the exact **approved contract budget**. The name of each staff member must be noted next to each position on the invoice. Actual monthly payroll expenses paid (**not accrued**) are billed on the invoice. The year-to-date amounts in the "Cumulative" billing column must be correct. Also, the salaries and FTE's which are billed must correspond to the approved contract budget. If any of these are incorrect on an invoice, it will not be processed. A budget revision request and/or revised invoice may be submitted.

3. The fringe rate must be the agency's internal audited fringe rate, with a maximum of 53.5%. Verification of this rate is subject to audit (Fringe is defined as: government mandated and employer selected employee benefits including: social security; unemployment, workers and disability compensation, retirement programs, and health insurance).
4. Indirect costs are funded at a maximum of 12% of the total direct program costs. Indirect costs are all expenses not directly associated with a specific program, which are necessary for the management of the whole agency. It may include space, management, clerical and support personnel, office materials, leasing of office equipment, advertising, postage, printing, insurance and other related expenses.
5. Vehicle mileage is reimbursed according to the IRS rate and current BPHC policy. Currently the rate is set at \$0.575/mile and is restricted to travel within the City of Boston. Parking and tolls can only be reimbursed if there is a receipt.
6. Meals consumption must be related to program activities and must specify the function or purpose on the receipt and include a copy of the sign-in sheet.
7. Supplies, equipment, etc. must be accompanied with a copy of the original vendor invoice and proof of payment. Also, you must specify if you are requesting payment for a portion of the invoice and where you are charging the rest of the payment.
8. Project funds may not to be used to pay City citations, tickets, taxes or fines. BPHC will not reimburse these items.

C. Fiscal Compliance

1. An agency may be held in non-compliance at the end of each month if they do not meet the invoicing requirements. This includes non-submission of invoices, or late invoices. If the invoice is incorrect and/or incomplete, it will be returned to the agency and the agency will be required to submit new corrected information.
2. Contract expenses, as shown on invoices, are reviewed each quarter of the fiscal year. Agencies are expected to spend at least 24% of the program's annualized budget each quarter (based on the program's actual expenditures). The agency is informed after the first quarter, in writing, of any under billing. Chronic under billing may result in a reduction in the total amount of the contract.
3. On a case by case basis: Contract spending may differ from each personnel line item by no more than 10% monthly, for example if you are projected to bill a monthly salary of \$500 (annual salary of \$6000), you may spend up to \$550 within that line per month (therefore, cannot exceed \$6600 annually) with the sufficient back up. For below line items, e.g. if you are budgeted for a \$1000 office supply line for the year, you may spend up to \$1100 within that line (you may bill this in one month or it may be divided between several months). Both of these stipulations are as long as the total amount billed does not exceed the budget's maximum obligation. Overspending will not be reimbursed.
4. Funds awarded in one fiscal year may not be used in a subsequent fiscal year.

D. Audits

Agencies must perform a **single audit** of their financial records as described in the 45 CFR Part 75 Subpart F if they expend \$750,000 or more in federal funding in a fiscal year. For agencies that spend less than \$750,000 in federal funding for the fiscal year, the agency is exempt from the Federal Audit

requirement for that year, but records must be available for review or audit by the official of HRSA, BPHC, and Government Accountability Office (GAO).

When completed, this audit must be sent to:

grants@bphc.org

If electronic submission is impossible, send paper audits to:

**Post-Award Grants Manager
Boston Public Health Commission
1010 Massachusetts Ave, 6th Floor
Boston, MA 02118**

E. Payments

Agency invoices will be paid only by ACH – Direct Deposit. Agencies will have the opportunity to enroll in direct deposit anytime throughout the year, if they have not previously completed the form. Agencies may request this form from the Sr. Program Coordinator. Completed ACH – Direct Deposit forms should be sent to the Boston Public Health Commission via Vendor@bphc.org.

F. Budget Revisions

Contract budgets are not changed without the approval of the Boston Public Health Commission. A revised budget request in the same format as the contract budget accompanied by line item explanations of proposed revisions is required. If the budget revision does not match the most up to date contract budget, it will be returned to the agency. Complete instructions are available under the budget revision section of the manual. Budget revisions will **not** be accepted after **April 1, 2021**.

Budgets

Following is a description of the terms used on agency budgets. Budgets cover a **twelve month** period and are presented in whole dollars (no cents).

- The “**Item**” column indicates the position title.
- The “**Personnel**” column indicates the name of the staff person occupying the position. Revisions should be submitted with staff first initial and last name (e.g., J. Smith). Enter “TBD” if the position is currently vacant.
- The “**Salary**” column reflects a Full Time Equivalent (1 FTE total) salary.
- The “**FTE**” column is the percentage of time (carried to no more than **two** decimals) that the position listed is paid for by the grant. To meet audit requirements, employees cannot exceed a total FTE of 1.0 across all funding sources.
- The “**Months**” column is the number of months the position listed will be occupied in the contracted period.
- The “**Annual**” column is the total salary amount that will be paid by the grant in a twelve month budget period for the listed position based on the given “**FTE**” and “**Months**.”

$$\frac{\text{Salary}}{12} \text{ FTE} \times \text{Months} = \text{Annual}$$

- The “**Fringe**” rate must be the agency’s internal audited fringe rate, with a maximum of **50.70%**. Verification of this rate is subject to audit. Fringe is defined as: government mandated and employer selected employee benefits including social security, unemployment, workers and disability compensation, retirement programs, and health insurance.
- Non-personnel, expense line item titles should be specific (e.g., Food, Office Supplies).
- The “**Indirect**” line item is capped at 12%.
- “**Program Total**” cost (total direct cost) is the sum of the Personnel Total and the Expense Total.

A sample budget can be found on the following page.

Budget Revision Request Instructions

The below outlines the process for budget revisions. This procedure is in the process of being updated and agencies will be trained upon completion in the new procedures. Appropriate budget revision requests are those which propose to use different means to accomplish the original agreed upon goals and objectives outlined in the Scope of Service. In general, adding new line items are not acceptable requests. Agencies may be allowed to shift funds between existing line items due to evolving service needs.

Program budgets may only be revised with the written approval of the **Senior Program Coordinator, Greg M. Lanza**. In order to receive written approval, agencies must submit a budget revision request, including a proposed budget in the appropriate format (see sample on the following page) and a line item budget justification to:

Greg M. Lanza
Senior Program Coordinator
Boston Public Health Commission
Email: glanza@bphc.org

Budget revision requests **must** include the following:

1. A current budget with the proposed changes, and final proposed annual amounts to the right of each personnel and/or expense line item.
2. A detailed explanation for each change being proposed and how it will assist you in meeting your contracted goals and objectives.
3. If proposing to change staffing, please list both the prior and proposed staff on separate lines, detailing the actual salary and FTE for each and applying the appropriate number of months on the contract. Personnel explanations should include: the last name of the employee or, if vacant, the estimated date of hire and a brief description of the position's duties and responsibilities as they relate to the Education & Outreach funding.
4. Supporting documentation for each new staff person including a resume showing qualifications for the position, and proof of annual salary such as an offer letter, employee action form, or payroll statement must be provided.
5. If proposing to change expense items (e.g., food, office supplies, staff travel), explanations should incorporate quantities whenever possible. Explanations should state why an expense item is necessary and how it will be used. For example, travel expenses must specify who, where, when and why the travel is necessary.

Appeals of denied budget revision requests are made, in writing, to the Director of Education & Community Engagement Division, Leslie Karnes.

Budget revisions will not be accepted after April 1, 2021. Exception to this deadline will only be made to fill a vacant position or to change a legal name.

Sample Budget Revision Request Narrative

August 21, 2020

Greg M. Lanza
Senior Coordinator
Infectious Disease Bureau
Boston Public Health Commission
1010 Massachusetts Ave, 2nd Floor
Boston, MA 02118

Dear Mr. Lanza,

Our Program Coordinator, Ms. Jones after 3 months has recently resigned. We have gone through the hiring process for the position and quickly filled the position with Mr. Valdez. We would like to replace Ms. Jones with Mr. Valdez on the budget and increase the FTE. To do this we would like to decrease Program Coordinator Davis due to new funding we have recently received and decrease our Office Supply line. We would like to request the following changes:

+\$22,313 to new Program Coordinator Valdez, replacing Jones and raising that FTE from .75 to .85. We recently received budget cuts from Funding Source A, who was paying for .10 FTE for this position.

-\$2,560 to Program Coordinator Davis, decreasing that FTE from 1.00 to .92. We recently received new funding from Funding Source A, who will now be paying .08 FTE for this position.

-\$84 to the Office Supplies line, decreasing the annual total to \$916.

Please don't hesitate to contact me with any questions regarding this request, by phone at (617) 555-5555, or by email at Project_Director@(agencyname).org.

Sincerely,

Project Director
(Agency Name)

Sample Budget Revision

**Boston Public Health Commission
Community Based Prevention**

**FY 2021
July 1, 2020 - June 30, 2021**

(Agency Name)

Education & Outreach

EXAMPLE

Budget Revision Request

<u>Direct Cost</u>	<u>Personnel</u>	<u>Salary</u>	<u>FTE</u>	<u>Mos</u>	<u>Annual</u>	<u>Change</u>	<u>New Salary</u>	<u>New FTE</u>	<u>New Mos</u>	<u>New Annual</u>
Program Coordinator	Jones	\$35,000	0.75	12	\$26,250	(\$19,688)	\$35,000	0.75	3	\$6,563
	Valdez					\$22,313	\$35,000	0.85	9	\$22,313
Program Coordinator	Davis	\$32,000	1.00	12	\$32,000	(\$2,560)	\$32,000	0.92	12	\$29,440
Peer Leader	Brown	\$25,000	0.25	12	\$6,250	\$0	\$25,000	0.25	12	\$6,250
SUBTOTAL			2.00		\$64,500		SUBTOTAL	2.77		\$64,565
FRINGE			29.30%		\$18,899		FRINGE	29.30%		\$18,918
PERSONNEL TOTAL					\$83,399		PERSONNEL TOTAL			\$83,483
Other Direct Cost										
Office Supplies					\$1,000	(\$84)				\$916
Educational Supplies					\$200	\$0				\$200
Food					\$500	\$0				\$500
SUBTOTAL					\$1,700		SUBTOTAL			\$1,616
DIRECT COST TOTAL					\$85,099		DIRECT COST TOTAL			\$85,099
HHS Indirect Approved Rate										
			69.50%		Annual					
BPHC Community Based Prevention Indirect Cap			12%		\$10,212	\$0		12.00%		\$10,212
INDIRECT SUBTOTAL					\$10,212		INDIRECT SUBTOTAL			\$10,212
DIRECT COST TOTAL					\$85,099	\$0				\$85,099
INDIRECT COST TOTAL (12% Cap)					\$10,212	\$0				\$10,212
E&O SERVICE AWARD TOTAL					\$95,310	\$0				\$95,310

In this example, Program Coordinator Jones has left the agency after 3 months on the E&O contract. Program Coordinator Valdez has replaced Jones for the remaining 9 months of the fiscal year. The agency has decided to raise the new Program Coordinator's FTE from .75 to .85 on the contract. In order to cover the additional dollars, the agency had to reduce Program Coordinator Davis's FTE from 1.0 to .92 and remove \$84 dollars from their Office Supplies line to put into the new Program Coordinator's line. The agency's original budget is reflected in the first six columns. Items and staff names may be added if new staff has been hired. For example, a new line has been inserted to reflect the hiring of Program coordinator Valdez.

Following are terms related to budget revisions. "Change" is the difference between the Annual and the New Annual (Change = New Annual – Annual). "New Salary" is the Full Time Equivalent (1 FTE total) salary. If there is a salary adjustment from the original "Salary", back-up documentation is required (e.g., hire letter, personnel action form). "New FTE" is the new percentage of time that the position listed will be paid through this contract. "New Months" indicates the new number of months that the employee will work; the number would differ from the original budget when a staff person is added or removed from a budget based on hiring or departure. "New Annual" is the updated total salary amount that will be paid for by the grant based on changes made to the salary, FTE, or months in the budget revision. "New Annual" for a staff member who is being removed from a budget must be the actual amount expended based on monthly invoices submitted to date.

Sample Budget Justification

CITY OF BOSTON
INFECTIOUS DISEASE BUREAU
FY 2021
JULY 1, 2020 – JUNE 30, 2021
Community Based Prevention

Agency Name

0.75 FTE Program Coordinator (3 months): Jones

Conduct one-on-one prevention counseling sessions and Group Level Interventions with high-risk individuals. Coordinate street and neighborhood outreach activities.

0.85 FTE Program Coordinator (9 months): Valdez

Conduct one-on-one prevention counseling sessions and Group Level Interventions with high-risk individuals. Coordinate street and neighborhood outreach activities.

0.92 FTE Program Coordinator: Davis

Conduct one-on-one prevention counseling sessions and Group Level Interventions with high-risk individuals. Coordinate street and neighborhood outreach activities.

0.25 FTE Peer Leader: Brown

Co-Facilitates Group Level Interventions with Program Coordinator, required as part of the curriculum chosen for this intervention.

Fringe:

Government mandated and employer selected employee benefits including social security, unemployment, workers & disability compensation, retirement programs, and health insurance.

Office Supplies:

Standard office materials that staff use in daily work activities. These items include but are not limited to: paper, pencils, markers, message pads, staples and file folders.

Educational Supplies:

Funding will be used to purchase condoms and lubricant for participants as part of the intervention. Funds from this line item will also be used to purchase postcards for supported referrals.

Food:

Funding supports snacks and non-alcoholic beverages that will be purchased as part of the Group Level Intervention.

12% Indirect Expenses:

Funds which contribute to the costs of running the program, such as office rent, liability insurance, etc. This line is *not* intended to cover all program-related expenses.

