



# KIDS HOPE ALLIANCE

The Jacksonville Partnership  
for Children, Youth & Families

Revised

## Purpose

This guide has been developed to provide Kids Hope Alliance (KHA) Contractors with an overview of the financial requirements associated with receiving KHA funds. For those contracts that are not cost reimbursement, this guide will assist Contractors in identifying the intended spending of KHA contract funds. This guide will not supersede any of the requirements that will be established by the terms and conditions of the executed contract, RFP and/or any grant guidelines associated with the funding.

Program Funds must be expended in accordance with the following:

- The scope of services outlined in Request for Proposals (RFP) and/or contract.
- Governing laws and regulations of the State of Florida and the City of Jacksonville.
- The budget approved within the Kids Hope Alliance contract.

## Reimbursement Requests

- Reimbursement means the expense must have already been paid by the agency requesting reimbursement. When submitting a payment request for cost reimbursement within the SAMIS web portal, attach and list each invoice individually as well as proof of payment. Reimbursements are due no later than the 10th day of the subsequent month of the reimbursement request.
- Proof of payment includes:
  - Copy of invoice and one of the following:
    - Credit card/bank statement with vendor name and amount paid. If there are multiple charges on the credit card statement, highlight or mark the amount requested to be paid
    - A copy of the cancelled check (front and back)
  - Notes:
    - Cash payments are only reimbursable under special circumstances and cannot exceed \$500 per contract year.
    - Any rebates, discounts, refunds issued or received must be reflected in the request and returned to the City.
    - Invoices/receipts must be printed format, any handwritten receipts must be supported with bank statement proof of payment.
    - When uploading support, if the support is a payroll register that encompasses multiple payroll reimbursement line items such as salary, benefits, etc. only upload 1 payroll register for the applicable line items. Highlight or summarize the additional expense categories that are being requested. The intent is to decrease the number of times an agency would need to upload the same document.
    - When uploading invoices that are excessive in page number, only upload the first page of the invoice, the relevant pages that include the detail of the requested item, and the last page of the invoice if it includes the total of all activity. For instance, if you are requesting reimbursement for 4 employees phone bill activity and the phone bill is 60 pages long, only upload page 1, the subsequent pages that show the activity of those specific 4 employees, and the last page of the bill if it includes a total of activity. The intent is to decrease the number of pages uploaded that do not relate directly to the requested reimbursement item as well as to expedite KHA's reimbursement review process.
    - KHA reserves the right to audit or ask for additional support.

### Budget Creation

Budget creation begins in the contract drafting phase, once a budget is approved and a contract is executed it is then entered into the SAMIS portal. Placing a \$1 amount in any given line item within the budget is not allowed, creating a new budget line item during your contract period will be allowed in special circumstances with pre-approval from KHA Contract Managers and Finance department. Budget line-item creations must be requested 45 days prior to the end of a contract.

### Budget Amendments

A budget amendment is the process of adjusting line items within the approved budget. The request for approval should be made via e-mail to the KHA Contract Manager and must include justification and narrative for the item or items included in the budget adjustment requested. KHA reserves the right to deny any budget adjustments deemed unreasonable.

Budget adjustments must be requested 45 days prior to the end of a contract. Budget amendments cannot exceed 4 instances per contract year. Budget adjustments should be done as soon as it has become aware that an adjustment needs to be made in order to avoid any delays in the reimbursement process. The approval process adds on additional time to a reimbursement request if the budget adjustment is submitted during the same timeframe. This could add up to an additional 15 days in processing a reimbursement request.

### Provision for Unspent Funds

Providers shall return any funds provided by KHA under the Contract which are residual funds remaining unspent or unencumbered by any existing legal obligation at the conclusion of the contract term to KHA in the form of a negotiable instrument not later than thirty (30) days after the close of the contract term.

### KHA's Right to Disallow Expenditures

KHA retains the right to disallow reimbursement expenditures deemed unnecessary for the KHA funded portion of the program, or poor usage of City funds.

Factors affecting allowability, costs must:

- Be necessary and reasonable
- Be consistent with other organization activities
- Be treated consistently
- Be determined in accordance with generally accepted accounting principles, as appropriate
- Be adequately documented
- Incurred during approved budget period

### Direct Expenses

#### A) Salaries and Wages

- Salaries and wages for all staff as it directly relates to the KHA funded portion of a program, this can include: program manager, assistant program manager, client assessors, client support workers, therapists, case managers, etc. This line item should only include staff performing the KHA funded portion of a program function.
- For the budget, include the list of positions with their percentage of time anticipated to be funded by KHA.

- Each reimbursement period, include the name of the employee and if the percentage of time is different than stated with the budget, please provide a note as to the difference between budgeted time and actual time and effort.
  - Do not include administrative staff performing functions that benefit the agency as a whole. Those staff member's salaries and wages will be factored in as indirect costs in the administrative expenses budget line item.
  - Pre-approval from Contract Managers and their Director is needed on the following items, otherwise they are not allowable: staff bonuses, severance, incentives (including payments to program participants).
- B) Payroll Taxes and Benefits
- Employee health and life insurance, FICA, worker's compensation, retirement, and unemployment taxes for employees that fit the description in Salaries and Wages (A) above, not to exceed maximum allowed by federal regulations.
  - List the percentage for each component (FICA, etc.) of the benefits package and the total percentage. If there is no set percentage for each component of the benefit package, give the premium rate for the FTE. This should also be in the narrative for this line item.
  - The total percentage of Payroll Taxes and Benefits is based off the total amount of Salaries.
- C) Program Consultants and Contractual
- Clinical staff, grant writers, assessments, and other program related services
  - Background screening
  - Fingerprinting
  - IT costs as they relate to the KHA funded portion of the program.
  - Do not include the cost of any legal or annual audit fees incurred by the agency, this will be factored in as indirect costs.
- D) Travel
- Local mileage is defined as program related travel within the designated service geographical area.
  - Staff travel is defined as program related travel occurring outside of the designated service geographical area. This would include travel for program related training, conferences, and meetings.
  - Program participant travel is defined as travel costs incurred to transport program participants to and from program related activities. Uber or other 3rd party companies are not allowable, only public transportation expenses are allowable.
  - Do not include travel as it relates to administrative activities or travel that benefits the agency as a whole, these expenses will be factored in as indirect costs.
- E) Participant Education Materials
- Provides for books, educational CDs/DVDs, pamphlets, developmental toys and equipment, parent educational material, etc.
- F) Consumable Program Supplies
- Supplies for participant activities such as arts and crafts supplies, etc.
- G) Assistance to Participants
- Payments to participants who provide a service to the program.
  - Gift cards are unallowable as they are difficult to trace usage.
  - Incentives to program participants must be pre-approved by Contract Managers and their Director.
  - Scholarships are not allowed unless pre-approved by Contract Managers and their Director.
- H) Field Trip Expenses

- Field trips must be educational and related to the program, all field trips must be pre-approved through the KHA Contract Manager.

I) Office Expenses

- Telephone-Provides for monthly office landline phone service, fax line, cell phones, internet as it is directly used for the KHA funded portion of the program. Agency -wide usage and benefit for telephone costs will be factored in as indirect costs.
- Utilities-Electric, gas, water as it is directly used for the KHA funded portion of the program. Agency-wide usage and benefit for utility costs will be factored in as indirect costs.
- Postage and Shipping-Postage and shipping charges will need justification for the need to transport program materials. Routine or internal courier services and fees will be factored in as indirect costs.
- Supplies-Office supplies, inexpensive furniture/desk items less than \$1,000, ink, pens, staplers, cleaning supplies as they directly relate to the KHA funded portion of the program. Office supplies purchased for the agency as a whole will be factored in as indirect costs.
- Copying-Copy machine usage and costs of copying program materials as they directly relate to the KHA funded portion of the program. Routine or agency- wide copy charges will be factored in as indirect costs.

J) Operating Capital Outlay

- Capital expenditures are items with a useful life of one year or more.
- Items in this category belong on a property inventory document.
- Furniture and equipment that has a cost or value greater than \$1,000 must be pre- approved by Contract Managers and the Finance Department. Upon termination of its use for the approved purpose, it shall be transferred free and clear of all liens and encumbrances to KHA or disposed of as authorized in writing by KHA.

K) Lease/Rent

- Portion of the KHA funded program as it directly relates to the usage of the building or equipment in question. Allocation method must be defined in the budget narrative.
- Mortgage payments, interests on borrowing, financing, and refinancing, bond payments, or any debt financing related activities is not allowed.
- Rental agreements must be made between two legally separate entities with separate bank accounts and must have an active lease agreement between the two entities.

L) Maintenance

- Maintenance and repairs to program specific equipment.
- Maintenance and repairs to general purpose equipment, buildings, and grounds will be factored in as indirect costs.
- Depreciation and other non-cash accounting entries are not an allowable reimbursements for KHA contracts.

M) Insurance

- Payment of insurance premiums to cover such things as commercial general liability, professional liability, sexual abuse and molestation coverage, automobile minimum bodily injury (if applicable), etc. Allocation methodology must be provided as it applies to the KHA funded portion of the program.
- Insurance coverage options that are specifically required for a KHA contract will be fully reimbursable.

N) Conferences and Staff Training

- Registration fees for conferences and training (no travel) as it relates and is necessary for program enhancement or requirement. These fees can be reimbursed prior to attendance. However, KHA will request proof of attendance.
- O) Membership Fees and Subscriptions
- Expenses incurred for the agency memberships in organizations which provide benefits to the KHA funded portion of a program in the form of services, periodical subscriptions, publications, materials, etc.
  - Provide a brief description of how the membership benefits the KHA funded program.
- P) Advertising
- Costs of publication of job openings for KHA funded program staff.
  - Publications specifically for the program and recruitment of participants.
  - KHA funds cannot be used for promotional materials such as hats, key chains, and other swag items, unless pre-approved.
  - Wherever possible, use the primary logo with tagline. If space allows or is limited, you may also use the alternative logos with the full tagline. To request a copy of the KHA Style Guide, or if you have any other questions, please email the Communications Team at [KHAstories@coj.net](mailto:KHAstories@coj.net).
  - Fundraising costs are not allowable.
- Q) Food (limit to 2% of budget)
- Food for program participants is limited to 2% of the KHA contract budget. Field trip entrance fees that include meal and drink where the food and drink cannot be itemized separately will be applied to the 2% food limitation.
  - Tips are to be excluded from reimbursement requests.
- R) Other Allowable Costs
- Any other allowable program expenditure that does not fit into another category
  - Other one time only purchases with pre-approval by Contract Managers.
- S) Administrative Expenses
- Limited to 10% of the actual direct expenses reimbursed (not the budget).
  - Administrative costs are costs which support the operation of the entire agency as a whole, for example, a receptionist answering all incoming calls, cost of preparing payroll for the entire agency, management personnel salaries, etc.
  - When requesting the 10% indirect rate of total actual direct expenses, supporting documentation is not necessary. However, it is the Contractor's responsibility to ensure that costs factored in this line item are not duplicative of other items listed in the budget. KHA reserves the right to audit or ask for additional support in the event that it is suspected that misuses of funds are being incurred.

#### Unallowable Expenses

- Administrative staff whose job functions benefit the agency as a whole, these are included as indirect costs.
- Staff bonuses, severance, incentives, unless pre-approved by Contract Managers and their Director.
- Legal or annual audit fees, these are included as indirect costs.
- Uber or other 3rd party companies providing travel, only public transportation charges are allowable.
- Travel for administrative purposes that benefit the agency as a whole, these are included as indirect costs.

- Gift cards
- Scholarships, unless pre-approved by Contract Managers and their Director.
- Field trips, unless pre-approved by Contract Managers.
- Mortgage payments, interests on borrowing, financing, and refinancing, bond payments, or any debt financing related activities.
- Depreciation and any other non-cash accounting entries.
- Promotional good such as hats, key chains, and other swag items, unless pre-approved.
- Fundraising costs.
- Losses arising from uncollectible accounts and other claims, and related costs.
- Contributions or donations to other groups and organizations.
- Fines, penalties, late payment assessments, and cancelation fees.
- Lobbying activities.
- Contributions to a contingency reserve or a similar provision for unforeseen events.
- Sales tax.

#### Final Reimbursement and Reports

The final reimbursement and required reports for the contract year are due to KHA no later than 15 days after the contract ends or is terminated. Pending payments on other contracts will not be submitted for processing until the final reimbursement and reports have been submitted for a contract that has ended.

All contractors should consult the RFP and their contract with KHA to determine what expenses can be billed to KHA for that program.

For those contracts that are funded from grant funds, agencies should always look to the grant program to determine whether costs are allowable.