

POLICY

Series: Board Governance**COA: GOV 6, 7, FIN 1, 2, 3, 5, RPM 5**
CFOP: 75.08**Policy Name:** Budget**Policy Number:** GOV207**Reviewed Date:** 7/26/2012, 2/3/2020, 1/18/2022, 11/17/2022, 7/20/20223**Revision /Date:** 1/23/2009, 9/22/2016, 3/13/2017, 5/28/2020, 1/27/2022, 12/8/2022, 7/27/2023**Effective Date:** 10/01/2004**Applicable to:** Brevard Family Partnership Family of Agencies (BFP FOA) Governance Board of Directors, Brevard Family Partnership Family of Agencies Advisory Board of Directors, Volunteers, and All BFP FOA Staff

SUBJECT: Budget**PURPOSE:** To establish and maintain a budget whereby BFP FOA's financial accountability and viability are achieved through the application of sound financial management practices that accord with legal and regulatory requirements.

References

BFP Policies/Procedures: GOV202, GOV203, FM-201

2CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Florida Statutes Section 409.990

Definitions

Carry Forward Funds: State of Florida general revenue remaining at the end of a given fiscal year in excess of expenditures for that operating year. The State of Florida allows these surplus funds to be "carried forward" to the new operating fiscal year to be used to pay for current expenditures of the community-based care organization.

POLICY:

Scope

Responsibility for the preparation and daily management of BFP FOA's budget is delegated to the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer or under the direction of the President and Chief Executive Officer by the BFP FOA Governance Board of Directors. The Chief Financial Officer will establish and maintain written procedures for budgeting activities consistent with this policy.

Budget Preparation

The Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer coordinates the preparation of an annual financial budget for each fiscal year in order to provide the ability to manage financing requirements and resources. The annual budget provides the basis for performance evaluation and to render the ability to take corrective action in the event actual revenue and/or expense does not match budgeted revenue and/or expense. The following criteria is considered when drafting the annual budget:

1. The program priorities of BFP are in relation to the BFP FOA Mission Statements as well as the obligations of BFP FOA under the State of Florida, Department of Children and Families contract.
2. Anticipated funding and their corresponding restrictions.
3. Allowability of costs in relation to guidelines set by the State of Florida, Department of Children and Families and OMB Circulars.
4. Direct and indirect costs to operate various programs are analyzed through prior year actual trends.
5. The potential for changing costs and conditions are researched and projected in the budget.
6. Trends are reviewed in order to forecast and budget for future contracts, billing, and fee changes.

Budget Approval

The annual budget is prepared by the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer and submitted to BFP Board Finance Committee for review and to the BFP FOA Governance Board for final approval. The approval process is completed annually, prior to the beginning of the new fiscal year.

The BFP FOA budgets submitted to the BFP FOA Governance Board of Directors for approval are formatted to contain at a minimum a variance analysis of the prior fiscal year budget line items to the newly proposed fiscal year budget line items.

Budget Monitoring & Revision

Once the annual budget is approved, it is to be monitored on a monthly basis by the President and Chief Executive Officer, BFP Vice President and Chief Operations Officer and the Executive Team of BFP. Quarterly, the budget versus actual revenue and expense activity is reported to the BFP Governance Board by the BFP Governance Board Treasurer, BFP Chief Financial Officer, or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer in the form of a consolidated financial statement of activities. A statement of financial position is also available for BFP FOA Governance Board review; at a minimum it will be reported to the BFP FOA Governance Board on an annual basis.

The Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer, under the direction of the President and Chief Executive Officer, may revise/reallocate budget line items in the Board approved annual budget to further enhance service delivery or meet individual budget line deficits during the fiscal year.

Mid-fiscal year budget projections will be calculated in attempt to forecast whether actual revenues will meet actual expenditures. Any deficiencies will be reported to the BFP FOA Governance Board by the President and Chief Executive Officer as soon as possible.

Board approval is necessary if total actual expenditures identified in the budget are to exceed the approved annual budget more than \$250,000. Likewise, BFP FOA Governance Board approval will be necessary if total actual expenditures are more than total revenue. When such a revision to the budget is necessary, the President and Chief Executive Officer and/or their designee will present to the BFP FOA Governance Board alternative solutions to the deficiencies needing to be corrected.

Use of Carry Forward Funds

The BFP FOA Governance Board will authorize the President and Chief Executive Officer to use at their discretion any accrued carry forward funds remaining after the end of any given fiscal year to enhance the system of care, meet any projected budget line-item deficits, etc. throughout any given fiscal year. The BFP FOA Governance Board will be kept apprised of the use of such funds by the President and Chief Executive Officer in the CEO Board Report.

The use of carry forward funds will also have to meet requirements set by section 409.990, Florida Statutes, and the State of Florida, Department of Children and Families. Specifically,

The cumulative amount carried forward will not exceed 8 percent of the total contract. Any unexpended funds in excess of that percentage will be returned to the Department of Children and Families. Additionally:

- (a) The funds carried forward may not be used in any way that would create increased recurring future obligations, and such funds may not be used for any type of program or service that is not currently authorized by the existing contract with the department.
- (b) Expenditures of funds carried forward must be separately reported to the Department of Children and Families.
- (c) Any unexpended funds that remain at the end of the contract period shall be returned to the Department of Children and Families.
- (d) Funds carried forward may be retained through any contract renewals and any new procurements as long as BFP is retained by the Department of Children and Families.

Approved by the Brevard Family Partnership Governance Board of Directors on July 27, 2023.

AS APPROVED BY THE BOARD OF
DIRECTORS:



DANIEL P. RODGERS
Board Chair

BY DIRECTION OF THE PRESIDENT AND
CHIEF EXECUTIVE OFFICER:



PHILIP J. SCARPELLI
President and Chief Executive Officer
Brevard Family Partnership / Family of Agencies

Signature Date: 8/22/2023

Signature Date: 8/22/2023