

Family Partnerships of Central Florida

POLICY

Series: Board Governance COA: GOV 6, 7; FIN 1, 2, 3, 5, 6, 7; RPM 5
CFOP: 75-8

Policy Name: Accounting Practices
Policy Number: GOV208
Review Date: 5/16/2024
Revision /Date: 5/23/2023
Effective Date: 10/01/2004

Applicable to: Family Partnerships of Central Florida Family of Agencies (FPOCF FOA)
Governance and Advisory Board of Directors, Family Partnerships of Central
Florida Volunteers and Staff

SUBJECT: Accounting Practices

PURPOSE: To establish and maintain accounting practices in accordance with generally accepted accounting principles and the accounting practices of funding sources whereby Family Partnerships of Central Florida's financial accountability will be achieved.

References

FPOCF Policies/Procedures: GOV002, GOV202, GOV203, AP-432 FM-201, RQ-504, PR-901, PR-903, PR-904, PR-905

2CFR Part 200

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Definitions

Accrual Basis of Accounting:

The accounting method under which revenues are recognized on the Statement of Activities when they are earned (rather than when the cash is received). In turn, expenses are matched with revenues on the income statement when the expenses expire or title has transferred to the buyer, rather than at the time when expenses are paid.

Chart of Accounts:

A listing of the names of the accounts that a company has identified and made available for recording transactions in its general ledger.

Cost Allocation Plan:

A cost allocation plan summarizes, in writing, the methods and procedures that an organization will use to allocate costs to various programs, grants, contracts and agreements. 2CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," establishes the principles for determining costs of grants, contracts, and other agreements with the Federal Government.

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Department of Children and Families (DCF):

The State of Florida agency contracting with community-based care organizations to provide and monitor child welfare services.

FASB:

Financial Accounting Standards Board

GAAP:

Generally Accepted Accounting Principles

OCA:

Other Cost Accumulator

2CFR:

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

POLICY:

Responsibility for the daily management of FPOCF's accounting practices in coordination with 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. The Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer establishes and maintain written procedures for accounting activities consistent with this policy.

General

FPOCF uses the accrual basis accounting for the entire fiscal year.

Fiscal records are maintained for cash, payroll, payables, fixed assets, and general ledger activity with computerized accounting software.

The accounting year for FPOCF is a fiscal year beginning on July 1 and ending on June 30 of the following calendar year.

Records are retained following the records retention procedure, RQ-504, thereby satisfying the administrative, fiscal, legal, and historical needs of FPOCF.

FPOCF utilizes a computerized accounting system that is double entry, GAAP or FASB compliant and requires security controls/access. In turn, the accounting system records all entries into the software thereby leaving an audit trail. This audit trail should be secured, and no access should be granted to the FPOCF accounting staff including the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer unless directly supervised by the President and Chief Executive Officer.

Internal Controls

The Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer has established written procedures compliant with policy GOV202 Internal Controls. These controls are designed to prevent loss of funds due to fraud, error, misrepresentation, or imprudent actions. Such internal accounting controls include the following:

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- An inclusive chart of accounts.
- Prompt and accurate recording of revenues and expenses.
- Safeguarding and verification of assets.
- Control over expenditures.
- Separation of duties to the extent possible.
- Timely payments to taxing authorities as required by law.

Chart of Accounts

FPOCF maintains a chart of accounts and a chart of sub-accounts. These charts of accounts are designed to provide the information needed to prepare proper financial statements, as well as provide detailed information needed for effective and efficient management of FPOCF through by tracking funding sources and determining the allowability of costs as required by 2CFR Part 200 and the Reference Guide for State Expenditures.

FPOCF uses a 22-account code structure for each account: XXXXX-XX-X-XXX-XXXX-XXXXX-XX

The chart of accounts uses a 5-digit account code structure, XXXXX, for each of its accounts. This five-digit component identifies the General Ledger account number for all assets, liabilities, net assets, revenues, and expenditures.

The chart of sub-accounts uses a 17-digit account code structure: XX- X -XXX-XXXX-XXXXX-XX, for each of its accounts. This 17-digit component identifies as follows the funding source for a specific transaction as outlined in the Cost Allocation Plan:

- First through fifth digits: Identify the General Ledger Account Code for all assets, liabilities, net assets, revenue, and expenditures.
- Sixth and seventh digits: Identify the balance sheet default code which facilitates tracking of various sources of revenues. (DCF versus non-DCF funds).
- Eighth digit: Restricted/Unrestricted.
- Ninth, tenth, and eleventh digits identify the program code or cost pool which accumulates related costs (both direct and indirect) for allocation to funding sources at month end where applicable.
- Twelfth through fifteenth digits Identify the contract number if applicable.
- Sixteenth through twentieth digits Identifies the OCAs.
- Twenty first and twenty second digits Identify the fund source.

Account codes are assigned by the Chief Financial Officer or designee as needed. The Chief Financial Officer or designee is authorized to make changes to include additions and/or deletions to the Charts of Accounts, as necessary. The charts of accounts are maintained in the computerized accounting software system.

Financial Statements

Financial statements are prepared monthly from the general ledger to include:

- Statement of Financial Position
- Statement of Activities

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The Statement of Activities displays at a minimum budget versus actual revenue and expense activity for the month and year to date.

Financial statements are distributed and reviewed by the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer to the President and Chief Executive Officer. Financial statements are distributed via e-mail to the Board Finance Committee monthly and reviewed with the Board Finance Committee and the FPOCF Governance Board quarterly.

Financial statements are routinely analyzed at the program and funding source level to determine if FPOCF's program and service delivery will be funded appropriately, and viability of such services will be assured throughout the operating fiscal year. The Finance staff work closely with program staff and FPOCF FOA management to best utilize resources and analyze financial performance.

The Chief Financial Officer or designee will prepare financial reports to accommodate requests from funding sources and other inquiring sources.

Audit

Annually FPOCF has a fiscal year-end audit performed by an independent Certified Public Accounting (CPA) firm within 180 days after the close of the fiscal year. At the conclusion of the annual audit, the CPA firm also prepares the annual FPOCF federal tax form(s): the 990.

Financial reporting is in accordance with ASC 958-205 and 2CFR Part 200. Financial statements are to include the following:

- Statement of Financial Position
- Statement of Activities
- Statement of Cash Flows
- Statement of Functional Expenses
- Schedule of Federal and State Awards for Financial Assistance

The Chief Financial Officer or designee makes available financial records during the course of the fiscal year to permit preliminary audit work, if possible. Schedules and analyses are prepared to facilitate the auditor's work and help reduce the cost of the audit.

The results of the annual financial audit including the 990-tax form are presented by the CPA firm to the FPOCF Governance Board of Directors for review and approval after review and recommendation of acceptance by the Board Finance Committee.

Upon completion and submission of the 990-tax form to the Internal Revenue Service, the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer will distribute the form to the FPOCF Governance Board of Directors.

Audit Firm and Board Finance Committee

A price analysis of audit and tax services is coordinated by 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 Board Finance Committee as outlined in procedures PR-901, Procurement of Commodities and Services, and GOV002, Conflict of Interest.

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If necessary, to start the annual audit, the CPA firm first meets with the Board Finance Committee to discuss the procedures of the engagement as well as to ascertain any potential areas of concern of the Board Finance Committee.

During the audit and tax engagement, 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 Board Finance Committee, serves as primary contact for the CPA firm. The Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer also coordinates the response to any findings reported by the CPA firm. The Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer will keep the President and Chief Executive Officer informed of the progression of the audit and tax services throughout the engagement.

The draft audit and 990 tax form are reviewed by both the Chief Financial Officer, or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer, and President and Chief Executive Officer prior to the CPA firm's submission of the documents to the FPOCF Finance Committee. If for any reason the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer and/or President and Chief Executive Officer cannot come to agreement with the CPA firm on the audit or tax results, the Board Finance Committee will be informed and intercede for resolution.

After review and approval of the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer and President and Chief Executive Officer, the CPA firm reviews the results of the audit engagement with and answer any questions of the Board Finance Committee. Upon successful conclusion of this meeting, the Board Finance Committee accepts the final audit. Upon the acceptance of the Board Finance Committee, the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer, or their designee will be authorized to distribute the audit results to the various regulatory authorities to include DCF, State of Florida, Auditor General and the Federal Clearinghouse. At this time, the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer will schedule the CPA firm to attend a FPOCF Governance Board meeting for presentation.

Approved by the Family Partnerships of Central Florida Governance Board of Directors on 5/23/2024.

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
Family Partnerships of Central Florida

Signature Date: 6/4/2024

Signature Date: 6/5/2024