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**Series:** Board Governance **COA: GOV 6, 7; FIN 1, 2, 3, 5; RPM 5  
CFOP: 75.08**

**Policy Name:** Budget  
**Policy Number:** GOV-207  
**Reviewed Date:** (1) 7/26/12, (2) 2/3/2020  
**Revision /Date:** (1) 1/23/09, (2) 9/22/2016, (3) 3/13/2017, (4) 5/28/2020  
**Effective Date:** 10/01/04

**Applicable to:** All Family of Agency Board of Directors (BODs) and All Brevard Family Partnership (BFP) Family of Agencies Staff

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**SUBJECT:** Budget

**PURPOSE:** To establish and maintain a budget whereby BFP'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: GOV-202, GOV-203, FM-201

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

### **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's budget is delegated to the Chief Financial Officer or designee appointed by the CEO in the absence of the Chief Financial Officer or under the direction of the Chief Executive Officer (CEO) by the Board of Directors (Board). 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 CEO 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 in relation to the agency Mission Statement as well as the obligations of BFP 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 are 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 CEO in the absence of the Chief Financial Officer and submitted to Board Finance Committee for review and the full Board for final approval. The approval process is completed annually, prior to the beginning of the new fiscal year.

The budget submitted to the Board for approval is 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 CEO, BFP Vice President of Operations and the Executive Team of BFP. Monthly, the budget versus actual revenue and expense activity is reported to the Board by the Chief Financial Officer or designee appointed by the CEO 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 Board review; at a minimum it will be reported to the Board on an annual basis.

The Chief Financial Officer or designee appointed by the CEO in the absence of the Chief Financial Officer, under the direction of the CEO, 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 Board as soon as possible.

Board approval is necessary if total actual expenditures identified in the budget are to exceed the approved annual budget by \$50,000 or more. Likewise, Board approval will be necessary if total actual revenues identified in the budget are to be less than the approved annual budget by

\$50,000 or more. When such a revision to the budget is necessary, the CEO and/or their designee will present to the Board alternative solutions to the deficiencies needing to be corrected.

**Use of Carry Forward Funds**

The Board will authorize the CEO 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 Board will be kept apprised of the use of such funds by the CEO in the 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 Board of directors on May 28, 2020.

AS APPROVED BY THE BOARD OF  
DIRECTORS:



BARBARA J. LOFTUS  
Board Chair

Signature Date: 6/5/2020

BY DIRECTION OF THE CHIEF EXECUTIVE  
OFFICER:



PHILIP J. SCARPELLI  
Chief Executive Officer

Signature Date: 6/5/2020