

CAREERSOURCE NORTH FLORIDA

Accounting & Financial Policies and Procedures Manual

(Revised 11/20/2025)

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INTRODUCTION

The following accounting and financial manual is intended to provide an overview of the accounting and financial policies and procedures for CareerSource North Florida, which shall be referred to as “CareerSource North Florida” or “CSNF” throughout this manual.

CareerSource North Florida is incorporated in the state of Florida. CareerSource North Florida is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) as a nonprofit corporation. CareerSource North Florida’s tax-exempt mission is to:

This manual documents the financial operations of CSNF. Its primary purpose is to formalize accounting and financial policies and selected procedures for all staff who have a role in accounting processes and to document internal controls.

If a particular grant or award has provisions that are more restrictive than those in this manual, the more restrictive provisions will be followed only for that grant or award.

CSNF allows an individual’s supervisor to give approval in an individual’s absence when the absent individual is included in a policy or procedure that requires an approval. For example, policies documenting approvals or reviews to be completed by the Administrative Coordinator can be performed by the Executive Director in the Administrative Coordinator’s absence.

Effective Date(s) of Accounting and Financial Policies

The effective date of all accounting and financial policies described in this manual is July 1, 2018. If a policy is added or modified subsequent to this date, the effective date of the new/revised policy will be indicated parenthetically immediately following the policy heading.

The contents of this manual were approved as official policy of CSNF by the Board of Directors. All CareerSource North Florida staff members are bound by the policies herein, and any deviation from established policy is prohibited.

Adoption of 2 CFR Part 200

CareerSource North Florida adopted the regulations provide in 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), including the procurement standards, effective 2016.

Fiscal Year of Organization

CareerSource North Florida shall operate on a fiscal year that begins on July 1 and ends on June 30. Any changes to the fiscal year of CSNF must be ratified by majority vote of CareerSource North Florida's Board of Directors, and this manual will be updated to reflect the new fiscal year.

Basis of Accounting

CareerSource North Florida's year-end financial statements are prepared using the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP) as well as the Governmental Accounting Standards Board (GASB). Consequently, revenue, other than contributions, is recognized when earned and expenses are recognized when the obligation is incurred.

Accounting transactions will be processed and reports produced on MIP Accounting Software.

GENERAL POLICIES

ORGANIZATIONAL STRUCTURE

The Role of the Board of Directors

CareerSource North Florida is governed by its Board of Directors, which is responsible for the oversight of CSNF by:

1. Planning for the future.
2. Establishing broad policies, including financial and personnel policies and procedures.
3. Approving grant applications.
4. Reviewing and approving the annual audit.
5. Reviewing financial information.
6. Identifying and proactively dealing with emerging issues.
7. Interpreting CSNF's mission to the public.
8. Soliciting prospective contributors.
9. Hiring, evaluating, and working with the Executive Director.
10. Establishing and maintaining programs and systems designed to ensure compliance with terms of contracts and grants.
11. Authorizing establishment of all bank accounts and check signers.
12. Overseeing the One-Stop Operator

The Executive Director shall be responsible for the day-to-day oversight and management of CareerSource North Florida.

Board of Directors Committee Structure

The Board of Directors shall form committees to assist the Board in fulfilling its responsibilities. These committees are responsible for the review of particular programs and providing recommendations to the full Board. Standing Board-level committees of CareerSource North Florida consist of the following:

1. Executive Committee, also serves as the Finance Committee/Audit Committee
2. Nominating Committee (convened as needed)

See CSNF's bylaws for Board and committee details. However, roles of committees with direct responsibilities for the financial affairs of CSNF are further described in this manual. These committees shall be referred to in appropriate sections of this manual.

Executive Committee Responsibilities

The Executive Committee is responsible for direction and oversight regarding the overall financial management of CareerSource North Florida. Functions of the Executive Committee include:

1. Review and recommendation of CSNF's annual budget (prepared by the staff) for final approval by the Board of Directors.

2. Long-term financial planning.
3. Establishment of investment policy and monitoring investment performance.
4. Evaluation and approval of facilities decisions (i.e., leasing, purchasing property).
5. Monitoring of actual vs. budgeted financial performance.
6. Oversight of reserve funds.
7. Review of financial procedures.

The review of the CSNF's financial statements shall not be limited to the Executive Committee, but shall involve the entire Board of Directors.

The Executive Committee is also responsible for the external financial reporting and internal controls of CareerSource North Florida. Functions of the Executive Committee include:

1. Issuing a Request for Proposals for services.
2. Recommend an independent CPA firm to the full Board for its approval.
3. Communicate directly with the CPA firm for an annual audit, as described in CSNF's bylaws.
4. Review the financial statements and other financial information provided to the public, including annual information returns (i.e. IRS Form 990).
5. Oversee internal controls and compliance with approved policies.
6. The Audit Committee also serves as the primary point of contact for any employee who suspects that fraud has been committed against CSNF or by one of its employees or Board members.

The full Board shall review and approve the final audited financial statements and any other communications received from the auditor regarding internal controls, illegal acts, or fraud.

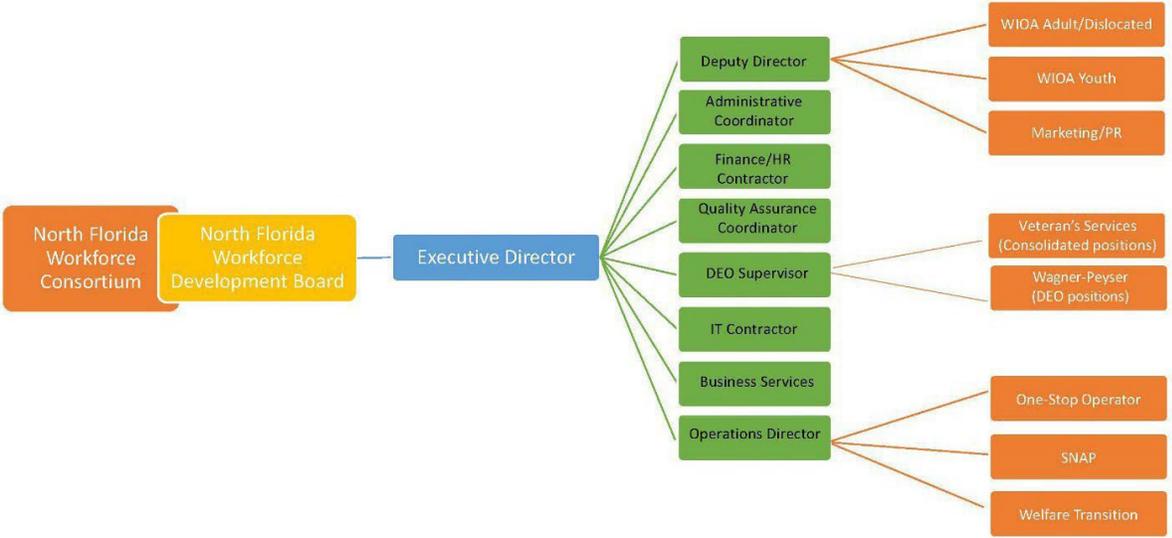
Also see other Audit Committee responsibilities in various sections of this manual.

The Roles of the Executive Director and Staff

The Board of Directors hires the Executive Director, who reports directly to the Board. The Executive Director is responsible for hiring and evaluating Directors for CSNF. Each Director reports to the Executive Director.

Directors are responsible for hiring employees to work in their fields of oversight with approval from the Executive Director. All employees within a department shall report directly to that department's Director, who shall be responsible for managing and evaluating all employees who report to them

Organization Chart



FINANCE DEPARTMENT OVERVIEW

Organization Structure

Committee(s) of the Board

Executive Committee, also serves as the Finance/Audit Committee

Service Delivery

Services are directed by the leadership staff of NFWDB and delivered through two One-Stop Career Centers. The primary responsibility for staff is coordinating and delivering all workforce activities within the One-Stop System.

One Stop centers are as follows:

Madison: 705 E. Base St. (Comprehensive)

Live Oak: 1558 N. Ohio Ave. (Satellite)

Mobile One-Stop Centers are strategically-placed and on a routine schedule in Jasper, Monticello, and Perry.

Services are also provided by appointment at the SREC office in Mayo.

Services include the following

Provided by Employer Services

1. Job order services: order taking; order review; employer validation; order listing in EF (Employ Florida); and related services;
2. Applicant screening for managed job orders; job order/applicant monitoring to improve referrals on non-managed orders;
3. On-the-Job Training (OJT), any Customized Employed Worker Training (CEWT) contract development, contracting, and servicing;

Provided to Job Seekers in Career Centers:

4. Intensive career counseling;
5. Funding for training and support services;
6. Work experience opportunities;
7. Assessment services;
8. Referral services;
9. RESEA (Re-Employment Assistance) and other preparation and counseling services to the unemployed;
10. Resource Room services to job seekers;
11. Disabled Veterans Outreach Program (Employment) services;
12. Employer support through job fairs and other mass hiring events; and,
13. Special grant programs, Ready to Work credentialing, and any other that requires local workforce board partnerships or direct involvement.

All finance and administrative functions are under the direct supervision of the Executive Director, with assistance from an Administrative Coordinator. By contractual agreement, financial expenditures, reporting, and all transactions have been outsourced to CareerSource CLM (LWDB10).

Shared Services: The Board coordinates the infrastructure and facilities, as well as staff training and community outreach activities to effectively serve customers. All front-line staff serve customers in multiple locations throughout multiple counties. Information related to all partner services is available at all the centers, partner agencies house staff and provide services in the One-Stop, and One-Stop staff are trained to make appropriate referrals.

Core System Service Delivery: Core services are provided at all One-Stop centers, and represent the myriad of services available to all job seekers accessing the One-Stop system. Both the Madison and Live Oak locations have a prominent resource area designed to facilitate labor exchange activities and provide information related to One-Stop partner services. The resource areas are the “front door” and from there customers may participate in electronic labor exchange activities and/or be referred to intensive services depending on the customers’ need.

Department Responsibilities

The primary responsibilities of the finance department consist of:

- General ledger transactions and reconciliations
- Budgeting
- Cash and investment management
- Asset management
- Grants and contracts administration
- Purchasing
- Accounts receivable and billing
- Cash receipts
- Accounts payable
- Cash disbursements
- Payroll
- Financial statement processing
- External reporting of financial information
- Bank reconciliation
- Reconciliation of subsidiary ledgers
- Compliance with government financial reporting requirements
- Annual financial statement audit and fiscal monitoring visits
- Leases
- Insurance
- Fiscal records retention
- Check handling

Standards for Financial Management Systems

In accordance with 2 CFR Part 200.302(b), of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, CareerSource North Florida maintains a financial management system in conjunction with LWDB 10, CareerSource Citrus Levy Marion that provides for the following. Specific procedures to carry out these standards are detailed in the appropriate sections of this manual.

1. Identification, in all its accounts, of all federal awards received and expended and the federal programs under which they were received. (*2 CFR Part 200.302(b)(1)*)
2. Accurate, current, and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements of *2 CFR Parts 200.327, Financial Reporting, and 200.328, Monitoring and Reporting Program Performance*, and/or the award.
3. Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest and be fully supported by source documentation.
4. Effective control over and accountability for all funds, property, and other assets. CareerSource North Florida must adequately safeguard all such assets and ensure they are used solely for authorized purposes.
5. Comparison of expenditures with budget amounts for each award.
6. Information that relates financial data to performance accomplishments and demonstrates cost effective practices as required by funding sources. (*2 CFR Part 200.301, Performance Measurement*)
7. Written procedures to minimize the time elapsing between the transfer of funds and disbursement by CareerSource North Florida. Advance payments must be limited to the minimum amount needed and be timed to be in accordance with actual, immediate cash requirements. (*2 CFR Part 200.305 Payment*) See CareerSource North Florida's written procedures in the Cash Drawdowns, Advances section of this manual.
8. Written procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of the *2 CFR Part 200 Subpart E, Cost Principles*, and the terms and conditions of the award. See CareerSource North Florida's written procedures in the CHARGING COSTS TO FEDERAL AWARDS section of this manual.

BUSINESS CONDUCT

Practice of Ethical Behavior

CareerSource North Florida requires Board members, committee members, and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities, and all directors, committee members, and employees to comply with all applicable laws and regulatory requirements. Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. The policies and reputation of CareerSource North Florida depend to a very large extent on the following considerations.

Each employee must apply her or his own sense of personal ethics, which should extend beyond compliance with applicable laws and regulations in business situations, to govern behavior where no existing regulation provides a guideline. Each employee is responsible for applying common sense in business decisions where specific rules do not provide all the answers.

In determining compliance with this standard in specific situations, employees should ask themselves the following questions:

1. Is my action legal?
2. Is my action ethical?
3. Does my action comply with CareerSource North Florida policy?
4. Am I sure my action does not appear inappropriate?
5. Am I sure that I would not be embarrassed or compromised if my action became known within CSNF or publicly?
6. Am I sure that my action meets my personal code of ethics and behavior?
7. Would I feel comfortable defending my actions on the 6 o'clock news?

Each employee should be able to answer "yes" to all of these questions before taking action.

Each director, manager, and supervisor is responsible for the ethical business behavior of her or his subordinates. Directors, managers, and supervisors must carefully weigh all courses of action suggested in ethical, as well as economic, terms and base their final decisions on the guidelines provided by this policy, as well as their personal sense of right and wrong.

Compliance with Laws, Regulations, and Organization Policies

CareerSource North Florida does not tolerate:

- The willful violation or circumvention of any federal, state, local, or foreign law by an employee during the course of that person's employment.
- The disregard or circumvention of CareerSource North Florida policy or engagement in unscrupulous dealings.

Employees should not attempt to accomplish by indirect means, through agents or intermediaries, that which is directly prohibited.

The performance of all levels of employees will be measured against implementation of the provisions of these standards.

CONFLICTS OF INTEREST

Introduction

In the course of business, situations may arise in which a decision maker has a conflict of interest, or in which the process of making a decision may create an appearance of a conflict of interest.

All directors and employees have an obligation to:

1. Avoid conflicts of interest, or the appearance of conflicts, between their personal interests and those of CSNF in dealing with outside entities or individuals
2. Disclose real and apparent conflicts of interest to the Board of Directors and Executive Director, including completion of a Conflict of Interest Form.
3. Refrain from participation in any decisions on matters that involve a real conflict of interest or the appearance of a conflict.

What Constitutes a Conflict of Interest

All employees and directors of CareerSource North Florida owe a duty of loyalty to CSNF. This duty necessitates that in serving CSNF they act solely in the interests of CSNF, not in their personal interests or in the interests of others.

The persons covered under this policy shall hereinafter be referred to as “interested persons.” Interested persons include all employees, as well as persons with the following relationships to directors or employees:

1. Spouses or domestic partners,
2. Brothers and sisters,
3. Parents, children, grandchildren, and great-grandchildren,
4. Spouses of individuals listed in 2 and 3,
5. Corporations, partnerships, limited liability companies (LLCs), and other forms of businesses in which an employee or director, either individually or in combination with individuals listed in 1, 2, 3, or 4, collectively possess a 35% or more ownership or beneficial interest.

Conflicts of interest arise when the interests of an interested party may be seen as competing with those of the CSNF. Conflicts of interest may be financial (where an interested party benefits financially directly or indirectly) or non-financial (e.g., seeking preferential treatment, using confidential information).

A conflict of interest arises when an interested person involved in making a decision is in the position to benefit, directly or indirectly, from his or her dealings with CSNF or person conducting business with CSNF. (A potential conflict of interest exists when the director or employee, or his or her immediate family {spouse, parent, child, brother, sister and spouse of parent, child, brother, or sister} owes/receives more than 1% of the benefiting business/profits.)

Examples of conflicts of interest include, but are not limited to, situations in which an interested person:

1. Negotiates or approves a contract, purchase, or lease on behalf of CSNF and has a direct or indirect interest in, or receives personal benefit from, the entity or individual providing the goods or services.
2. Negotiates or approves a contract, sale, or lease on behalf of CSNF and has a direct or indirect interest in, or receives personal benefit from, the entity or individual receiving the goods or services.
3. Employs or approves the employment of, or supervises a person who is an immediate family member of the director or employee.
4. Sells products or services in competition with CSNF.
5. Uses the CSNF's facilities, other assets, employees, or other resources for personal gain.
6. Receives a substantial gift from a contractor, if the interested person is responsible for initiating or approving purchases from that contractor.

STATE AND LOCAL WORKFORCE DEVELOPMENT BOARD CONTRACTING CONFLICT OF INTEREST POLICY

BACKGROUND

The following policy was established in accordance with proviso language for Specific Appropriation 2214 of the 2010 General Appropriations Act and the 2010 Appropriations Implementation Bill and continued in accordance with Specific Appropriation 2006 of the 2011 General Appropriations Act. The proviso language for Specific Appropriation 2006 prohibited the use of state or federal funds by a regional workforce board “for any contract exceeding \$25,000 between a regional workforce board and a member of that board that has any relationship with the contracting vendor, unless the contract has been reviewed by the Agency for Workforce Innovation and [CareerSource Florida, Inc. (CSF)]” The proviso language was incorporated into and made a part of this policy.

This policy was modified in 2011 to prohibit a contract between local workforce development boards (local) and their board members or other persons or entities that may benefit financially from a contract (as defined in paragraph I(g) below), providing four exemptions to the prohibition to allow the workforce boards to provide statutorily-mandated services.

This policy was again modified in 2012 to comply with the Legislature’s adoption of Chapter 2012- 29, Laws of Florida, requiring contracts under \$25,000 to be reported to CSF and requiring that contracts with relatives of workforce board employees be approved by a two-thirds vote and go through the review and approval process.

The policy currently complies with section 445.007(1) and (11), Florida Statutes.

POLICY

1. Definitions

For the purposes of this policy, the following definitions apply:

- a) “Board” means one of Florida’s 24 local boards or CSF.
- b) “Contract” means a written agreement funded by state or federal funds, to which a local board or CSF is one of the parties. It includes the initial contract and all amendments, renewals or extensions. For the purposes of this policy, “contract” includes the proposed contract. This term does not include:
 - c) Retail purchases for which no written contract is executed;
 - d) The purchase of utility services for use by a board;
 - e) Staff employment contracts (other than contracts with members of a board or relatives of board members); and,
 - f) Membership fees and sponsorships to professional organizations.
- g) “Entire board” means the complete membership of the board at the time a contract is submitted to a vote. It includes board members who have a relationship with the

contracting vendor and who therefore must abstain on the vote on the contract.
Membership of the board includes non-voting members.

- h) "Quorum" means that minimum number of members of the board required to be present for the board to transact business as established by the board's bylaws (or, in the absence of bylaws, as has otherwise been established by the board.)
- i) "When a quorum has been established" means the contemporaneous meeting of a sufficient number of members to constitute a quorum, in person and/or through accepted electronic means.
- j) "has any relationship with the contracting vendor" means the member is an owner or a principal of the vendor, or a principal of the vendor has retained the member, or the parent organization or subsidiary of a corporate principal of the vendor has retained the member or a member's known relative or member's business associate is an owner of the vendor. For purposes of this policy, vendor, contractor and sub recipient are the same.
- k) "benefit financially from a contract" means the special private financial gain to a member, a special private financial gain to any principal who retains the member, the special private financial gain of the parent organization or subsidiary of a corporate principal who retains the member or the special private financial gain to any member's relative or business associate or to a board employee or a board employee's relative and such benefit is not remote or speculative. "Personally benefit financially" means a special private financial gain to a member only.
- l) "Owner" means any ownership interest in a privately owned contracting entity or a majority interest in a publicly held contracting entity.
- m) "Principal of a contractor" means an owner or high-level management employee with decision-making authority.
- n) "Employee" means a person employed full-time by a local board working in a managerial or supervisory capacity or who has direct contract management or direct fiscal involvement with the contract being voted on by a board.
- o) "Relative" is defined as "father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, or daughter-in-law." Section 12.3143(1)(c), Florida Statutes.
- p) "Utility services" include telephone, cable, electricity, water, gas, waste and sewage services, and other similar services.
- q) "Federal, state or other governmental workforce programs" means Incumbent Worker Training (section.445.003(3)(a)(3), F.S.), Quick Response Training (Section 288.047, Florida Statutes), Employed Worker Training, On the Job Training, customized training and other career center training provider services.

2. Prohibition Against a Board Contracting with its Board Members

No board (CSF or a local board) shall enter into a contract with its board members, with organizations represented by its board members or with entities in which its board members have a relationship with the contracting vendor.

3. At a board's discretion, the following may be exempted from the above paragraph:

- a) A contract with an agency (as defined in section 112.312(2), Florida Statutes, including, but not limited to, those statutorily required to be board members) when said agency is represented by a board member and said member does not personally benefit financially from such contracts.
- b) A contract with a board member or a vendor (when a board member has any relationship with the contracting vendor) in which the contract relates to that member's appointment to the board under section 107(a)(2), Public Law 113–128, Workforce Innovation and Opportunity Act of 2014 (WIOA).
- c) A contract with a board member receiving a grant for workforce services under federal, state or other governmental workforce programs.
- d) A contract between a board and a board member which is not exempted under paragraphs II(a), II(b) or II(c) in which the board documents exceptional circumstances and/or need and the board member does not personally benefit financially from the contract. Based upon criteria developed by CSF, FLORIDACOMMERCE shall review the board's documentation and assure compliance.
- e) Each contract that is exempted from the general prohibition in paragraph II must meet the requirements set forth in paragraph III below, including, but not limited to, the requirements of the criteria established in the "conflict of interest" provisions under section 101(f), Workforce Innovation and Opportunity Act of 2014. However, since section 445.007(11), FS requires CSF to perform the review and approval process pertaining to local board contracts, CSF contracts shall not be subject those provisions of this policy pertaining to review and approval processes.

4. Requirements of Section 445.007, Florida Statutes

A board must comply with all requirements of section 445.007, Florida Statutes, prior to contracting with a board member or other person or entity who could benefit financially from a contract (as defined in paragraph I(g) above). These requirements are:

- a) All contracts between a board and a board member or other person or entity who may benefit financially from a contract (as defined in paragraph I(g) above) must be approved by a two-thirds vote of the board when a quorum has been established and the approval of such contracts shall not be delegated to staff or committees.
- b) The fact that a board member or other person or entity could benefit financially from a contract (as defined in paragraph I(g) above) must be disclosed in a board meeting and must be recorded in the minutes of said meeting before a vote is taken. The board member's absence from the meeting does not relieve the board from the disclosure and two-thirds vote requirements. All other known conflicts must be disclosed before a vote can take place. If a board member or employee discovers a conflict of interest after the vote, then the conflict must be disclosed in a procedure consistent with section 112.3143(4)(b), Florida Statutes. Board members who could benefit financially from the contract or who have any relationship with the contracting vendor (as defined in paragraph I(f) above) must abstain from voting on the contract. A board member's designee cannot vote in the place of a board member who is required to abstain.

- c) Board contracts equal to or greater than \$25,000 shall not be executed prior to the written approval of CSF.
- d) A board must submit all contracts equal to or greater than \$25,000 with board members or other persons or entities who could benefit financially from the contract to FLORIDACOMMERCE along with documentation, as specified by this policy, demonstrating compliance with section 445.007, Florida Statutes.
- e) A contract of less than \$25,000 between a local board and a member of that board or between a relative of a board member or of an employee of the board is not required to have the prior approval of CSF, but must be approved by a two-thirds vote of the board, once a quorum is established and after full disclosure, with the member's abstention and must be reported to FLORIDACOMMERCE and CSF within 30 days after approval.
- f) Contracts with a board member or other persons or entities who could benefit financially from the contract (as defined in paragraph l(g) above) in which the board will receive monies or other compensation (such as a board member paying rent to the board or paying for board services) are exempt from this policy.
- g) The term "contract" includes the initial contract and all amendments, renewals, or extensions. Renewals or extensions of contracts with a board member or persons or entities who could benefit financially from said contract must be approved under the same procedure as original contracts. Any amendments to a contract that could benefit financially a board member or another person or entity (as defined in paragraph l(g) above) must be approved under the same procedure as if the amendment were an original contract. Any amendments that do not benefit financially a board member or other person or entity (as defined in paragraph l(g) above) may be approved by a regular majority vote when there is a quorum according to board rules and/or bylaws.
- h) All other requirements of section 445.007, Florida Statutes, must be met. For example, a board member must continue to disclose any conflict of interest in a manner that is consistent with the procedures outlined in section 112.3143, Florida Statutes.
- i) To comply with the requirements of section 445.007, Florida Statutes, a board's policy shall advise and require board employees to disclose known conflicts of interest and notify the board of any contracts which may benefit them personally or their relatives. To comply with the requirements of section 445.007, Florida Statutes, a board's policy shall advise and require all parties to a contract to disclose all known conflicts of interest and notify the board of all board members or other persons or entities known to benefit financially from the contract (as defined in paragraph l(g) above).
- j) A contract that is initially subject to the requirements of section 445.007, Florida Statutes, due to a board member's, an employee's, an employee's relative's, or another person's or an entity's conflicts of interest at the time of approving the contract is not subject to these procedures after the departure of the member from the board membership, the departure of the employee from the board's employment or other actions have removed the conflicts of interest.
- k) The above requirements do not eliminate or diminish a board's obligations to comply with the "conflict of interest" provisions under section 101(f), Public Law 113-128, (WIOA).

5. Review Criteria

Contracts equal to or greater than \$25,000 with a board member or other person or entity who could benefit financially from the contract (as defined in paragraph I(g) above) must be reviewed by FLORIDACOMMERCE to ensure that these requirements have been met:

- a) The contract met one or more of the exemptions to the prohibition under paragraph II;
- b) The board approved the contract with a two-thirds vote when a quorum was established;
- c) Board members who could benefit financially from the contract or board members who have any relationship with the contracting vendor disclosed any such conflicts prior to the board vote on the contract; and,
- d) Board members who could benefit financially from the contract or board members who have any relationship with the contracting vendor abstained from voting.

6. Required Documentation

For each contract equal to or greater than \$25,000, a board must electronically submit, after the board's approval of the contract, a completed contract information form certified by the board chair or vice chair as correct and true to worfor@commerce.fl.gov containing the following information:

- a) Identification of all parties to the contract;
- b) Description of goods and services to be procured;
- c) Value of the contract, contract renewal or contract extension;
- d) Contract term including starting date and ending date;
- e) Contract number or identifying information, if any;
- f) Identification of board member or employee whose conflict of interest required the board's approval of the contract by a two-thirds vote;
- g) The nature of the conflict of interest in the contract;
- h) A certified board membership roster listing all members on the board at the time of the vote on the approval of the contract with a vote tally indicating attendance or absence at the meeting and, for those in attendance, the affirmative and negative votes and abstentions for each member;
- i) Dated and executed conflict of interest forms, which are consistent with the procedures outlined in section 112.3143, Florida Statutes, submitted at or before the board meeting in which the vote took place, for board members who have any relationship with the contracting vendor (as defined in paragraph I(f) above); and,
- j) Other information as specified on the contract information form.

FLORIDACOMMERCE and CSF will review this documentation to ensure compliance with the statutory requirements listed in paragraph III above. Failure to timely provide all required documentation or failure to complete the form shall result in immediate disapproval of the contract and require resubmission of documentation and form.

FLORIDACOMMERCE will electronically submit in writing to CSF, within five (5) business days of receiving all of the required

documentation, its recommendation of whether the statutory requirements were met. CSF will then electronically transmit in writing within three (3) business days after receipt of FLORIDACOMMERCE's written recommendation its approval or disapproval.

The board may not execute the contract until CSF approves the contract. However, the contract must be executed and performance begun within a reasonable time following approval. Seeking "blanket" approval for potential future contracts with board members is not within the spirit of the policy and all such attempts shall be denied.

7. Request for Review When Contract Approval Is Denied

A party to the contract may request a review of CSF's disapproval of a contract. Strict compliance with the following procedures is required:

- a) The request for review must be in writing, must state specific grounds for review and must provide all information required for review of the stated grounds. Failure to state specific grounds may be cause for denial of the request without further review.
- b) The request for review must be received by CSF not later than ten (10) calendar days from the date of CSF's denial. The request may be submitted electronically to CSF's administrative entity for contract review, the FloridaCommerce, through the email address WorkforceContract.Review@floridacommerce.com or directly to CSF by any other means of delivery, i.e. mail service, hand delivery, facsimile, etc.. Any request for review that is not received by CSF or FLORIDACOMMERCE within this timeframe will be rejected without further consideration.
- c) Within seven (7) calendar days of receipt, the CSF President or designee will issue a final decision on the request for review. The Chair of the CSF Board of Directors or its Board of Directors may direct the President to present such reviews to the Executive Committee. No review under this policy will be presented to the CSF Board of Directors unless, at the discretion of the Chair, such full board review is deemed to be necessary.

8. Effective Dates of Policy

- a) These modifications shall be in effect upon CSF's adoption at its May 17, 2017, Board of Directors meeting.

Honoraria Acceptance

A CareerSource North Florida employee shall not accept an honorarium for an activity conducted where agency-reimbursed travel, work time, or resources are used or where the activity can be construed as having a relationship to the employee's position with CareerSource North Florida. Such activity would be considered official duty on behalf of CareerSource North Florida. A relationship exists between the activity and the employee's position with CareerSource North Florida if the employee would not participate in the activity in the same manner or capacity if he or she did not hold his or her

position with CareerSource North Florida. The employee should make every attempt to avoid the appearance of impropriety.

An employee may receive an honorarium for activities performed during regular non-working hours or while on annual leave if the following conditions are met:

- All expenses are the total responsibility of the employee or the sponsor of the activity in which the employee is participating.
- The activity has no relationship to the employee's CareerSource North Florida duties.

Nothing in this policy shall be interpreted as preventing the payment to CareerSource North Florida by an outside source for actual expenses incurred by an employee in an activity, or the payment of a fee to CareerSource North Florida (in lieu of an honorarium to the individual) for the services of the employee. Any such payments made to CareerSource North Florida should be deposited to the CareerSource North Florida's account and an appropriate entry should be coded to the same program or department to which the employee's corresponding time was charged.

Resolution of Conflicts of Interest

All real or apparent conflicts of interest shall be disclosed to the Executive Committee and the Executive Director of CSNF. Conflicts shall be resolved as follows:

- The Executive Committee shall be responsible for making all decisions concerning resolutions of conflicts involving directors, the Executive Director, and other members of senior management.
- The chair of the committee shall be responsible for making all decisions concerning resolutions of conflicts involving Executive Committee members.
- The chair of the Board of Directors shall be responsible for making all decisions concerning resolutions of the conflict involving the chair of the Executive Committee.
- The Executive Director shall be responsible for making all decisions concerning resolutions of conflicts involving employees below the senior management level, subject to the approval of the Executive Committee.

An employee or director may appeal the decision that a conflict (or appearance of conflict) exists as follows:

- An appeal must be directed to the chair of the Board.
- Appeals must be made within 30 days of the initial determination.
- Resolution of the appeal shall be made by vote of the full Board of Directors.
- Board members who are the subject of the appeal, or who have a conflict of interest with respect to the subject of the appeal, shall abstain from participating in, discussing, or voting on the resolution, unless their discussion is requested by the remaining members of the Board.

Disciplinary Action for Violations of This Policy

Intentional failure to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to CSNF or to the government, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this policy will be afforded an opportunity to explain her or his actions before disciplinary action is taken.

Disciplinary action will be taken:

1. Against any employee who authorizes or participates directly in actions that are a violation of this policy.
2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.
3. Against any director, manager, or supervisor who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this policy.

A Board member who violates this policy will be removed from the Board of Directors.

POLICY ON SUSPECTED MISCONDUCT

Introduction

This policy communicates the actions to be taken for suspected misconduct committed, encountered, or observed by directors, employees, and volunteers.

Like all organizations, CareerSource North Florida faces many risks associated with fraud, abuse, and other forms of misconduct. The impact of these acts, collectively referred to as misconduct throughout this policy, may include, but is not limited to:

- Financial losses and liabilities
- Loss of current and future revenue and customers
- Negative publicity and damage to CSNF's good public image
- Loss of employees and difficulty in attracting new personnel
- Deterioration of employee morale
- Harm to relationships with clients, contractors, bankers, and subcontractors
- Litigation and related costs of investigations, etc.

CSNF is committed to establishing and maintaining a work environment of the highest ethical standards. Achievement of this goal requires the cooperation and assistance of every director, employee, and volunteer at all levels of CSNF.

Definition of Misconduct

For purposes of this policy, misconduct includes, but is not limited to:

- Actions that violate CSNF's Code of Conduct (and any underlying policies) or any of the accounting and financial policies included in this manual.
- Fraud (see below).
- Forgery or alteration of checks, bank drafts, documents or other records (including electronic records).
- Destruction, alteration, mutilation, or concealment of any document or record with the intent to obstruct or influence an investigation, or potential investigation, carried out by a department or agency of the federal government or by CSNF in connection with this policy.
- Disclosure to any external party of proprietary information or confidential personal protected information obtained in connection with employment with or service to CSNF.
- Unauthorized personal or other inappropriate (non-business) use of equipment, assets, services, personnel, or other resources.
- Acts that violate federal, state, or local laws or regulations.

- Harassment
- Violence
- Accepting or seeking anything of material value from contractors or persons providing goods or services to CareerSource North Florida. Exception: gifts valued at \$50 or less.
- Impropriety of the handling or reporting of money in financial transactions.
- Failure to report known instances of misconduct in accordance with the reporting responsibilities described herein (including tolerance by supervisory employees of misconduct of subordinates).

Fraud is further defined to include, but not be limited to:

- Theft, embezzlement, or other misappropriation of assets (including assets of or intended for CSNF, as well as those of our clients, subcontractors contractors, suppliers, and others with whom CSNF has a business relationship).
- Intentional misstatements in CSNF's records, including intentional misstatements of accounting records or financial statements and performance data.
- Authorizing or receiving payment for goods not received or services not performed.
- Authorizing or receiving payments for hours not worked.
- Forgery or alteration of documents, including but not limited to checks, timesheets, contracts, purchase orders, receiving reports.

CareerSource North Florida prohibits each of the preceding acts of misconduct on the part of directors, employees, officers, executives, volunteers, and others responsible for carrying out CSNF's activities.

Reporting Responsibilities

All employees, officers, and volunteers are responsible for immediately reporting suspected misconduct to their supervisor, Executive Director, or the Chair of the Executive Committee. When supervisors have received a report of suspected misconduct, they must immediately report such acts to the Executive Director, or the Executive Committee.

Whistleblower Protection

CSNF will consider any reprisal against a reporting individual an act of misconduct subject to disciplinary procedures. A "reporting individual" is one who, in good faith, reported a suspected act of misconduct in accordance with this policy, or provided to a law enforcement officer any truthful information relating to the commission or possible commission of a federal offense or any other possible violation of CSNF's Code of Conduct.

Reporting Individual Protections

A reporting individual may disclose suspected misconduct to a member of management or other employee of CareerSource North Florida, who has investigative responsibilities. The reporting individual may not be discharged, demoted, or otherwise discriminated against for reporting misconduct the individual reasonably believes is truthful as described in the Definition of Misconduct section of this manual.

An employee who discovers or suspects fraudulent activity may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to the Executive Committee, Executive Director, or legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the CareerSource North Florida legal counsel or the Executive Committee.

Investigative Responsibilities

Due to the sensitive nature of suspected misconduct, supervisors and managers should not, under any circumstances, perform any investigative procedures.

The Executive Director has the primary responsibility for investigating suspected misconduct involving employees below the Executive Director and executive management level. The Executive Director shall provide a summary of all investigative work to the Executive Committee.

The Executive Committee has the primary responsibility for investigating suspected misconduct involving the Executive Director and executive level positions, as well as Board members and officers. However, the Executive Committee may request the assistance of staff, including other executives or the Finance Director in any such investigation.

Investigation into suspected misconduct will be performed without regard to the suspected individual's position, length of service, or relationship with CSNF.

In fulfilling its investigative responsibilities, the Executive Committee shall have the authority to seek the advice and/or contract for the services of outside firms, including but not limited to law firms, CPA firms, forensic accountants and investigators, etc.

Members of the investigative team (as authorized by the Executive Committee) shall have free and unrestricted access to all CSNF records and premises, whether owned or rented, at all times. They shall also have the authority to examine, copy, and remove all or any portion of the contents (in paper

or electronic form) of filing cabinets, storage facilities, desks, credenzas and computers without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of an investigation into suspected misconduct or related follow-up procedures.

The existence, the status, or results of investigations into suspected misconduct shall not be disclosed or discussed with any individual other than those with a legitimate need to know in order to perform their duties and fulfill their responsibilities effectively.

Disciplinary Action

Based on the results of investigations into allegations of misconduct, disciplinary action may be taken against violators. Disciplinary action shall be coordinated with appropriate representatives from the Human Resources. The seriousness of misconduct will be considered in determining appropriate disciplinary action, which may include any or a combination of:

- Reprimand
- Probation
- Suspension
- Demotion
- Termination
- Reimbursement of losses or damages
- Referral for criminal prosecution or civil action

This listing of possible disciplinary actions is for information purposes only and does not bind CSNF to follow any particular policy or procedure.

Confidentiality

The Executive Committee and the Executive Director must treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Executive Director or the Executive Committee Chair immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see Reporting Responsibilities section above).

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect CareerSource North Florida from potential civil liability.

Disclosure to Outside Parties

Allegations of and information related to allegations of suspected misconduct shall not be disclosed to third parties except under the provisions described in this policy (such as disclosure to outside investigators hired by CSNF to aid in an investigation).

However, all known frauds involving the Executive Director, senior management, or members of the Board of Directors, as well as all material frauds involving employees below the senior management level, shall be disclosed by the Executive Committee to CSNF's external auditors.

CSNF will disclose, in a timely manner, in writing to federal awarding agencies or pass-through entity, all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting federal awards. (*2 CFR Part 200.113 Mandatory disclosures*)

SECURITY

Access to Electronically Stored Accounting Data

CareerSource North Florida utilizes privilege settings and passwords to restrict access to accounting software and data. Only duly authorized finance personnel with data input and approval responsibilities will be assigned passwords that allow access to the system. Information technology staff members are restricted from accessing accounting software.

Personnel are expected to keep their passwords secret and to change their passwords on a regular basis, no less frequently than every 90 days. Administration of passwords shall be performed by a responsible individual independent of programming functions.

Each password enables a user to gain access to only those software and data files necessary for each employee's required duties. On a semi-annual basis, CareerSource North Florida performs a review of accounting software users to ensure they have the appropriate access levels. Unnecessary access will be rescinded.

Storage of Sensitive Data

In addition to accounting and financial data stored in the Finance Department, other sensitive data, including protected personally identifiable information (PII), such as social security numbers of employees and/or clients, may be stored in areas other than the Finance Department. Locations of sensitive data include, but are not limited to:

1. Other Organization departments such as programs, Human Resources, etc.
2. Electronic or on-line storage

CSNF's policy is to minimize the storage of sensitive data outside the Finance Department by shredding documents with such data or deleting the sensitive data from documents that are stored outside the Finance Department as soon as possible. Please see CSNF's technology policies for standards for electronic and on-line storage.

Destruction of Consumer Information

As stated earlier, all sensitive data must be securely stored and shredded when no longer needed. CareerSource North Florida will also shred all consumer information obtained by CSNF for any reason. Shredding will be performed on a schedule determined by each department that possesses such data, and the schedule shall be made a part of the Record Retention policy (see RECORD RETENTION section of this manual).

General Office Security

During normal business hours, all visitors to the Administrative Offices are required to check in. After hours, a security key is required for access to the offices of CareerSource North Florida. Keys are issued only to employees of CareerSource North Florida and necessary contractors.

GENERAL LEDGER AND CHART OF ACCOUNTS

The general ledger is the collection of all asset, liability, net assets, revenue, and expense accounts. It is used to accumulate all financial transactions and is supported by subsidiary ledgers that provide details for certain accounts. The general ledger is the foundation for the accumulation of data and production of reports.

Chart of Accounts Overview

The chart of accounts is the framework for the general ledger system and the basis for the accounting system. The chart of accounts consists of account titles and account numbers assigned to the titles. General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, net asset, revenue, expense, and gain and loss account.

NOTE: CareerSource North Florida outsources its fiscal management process to CareerSource Citrus Levy Marion per contract, and this section reflects adapted fiscal procedures.

The structure of CareerSource North Florida's chart of accounts is demonstrated in the diagram below.

1. Grant/Fund Code – XX (a two-digit code)
 - a. 001 = WIOA Adult
2. Detailed Account Code/GL Code – XXXX (a four-digit code)
 - a. 5701 = Staff Travel
3. Functional Classification – XXX (a three-digit code)
 - a. 416 = Transportation
4. Contract/Cost Pool – XXXXX (a four- to five-digit code comprised of numbers and letters used to describe the specific action)
 - a. WEX = Work Experience
 - b. 99OJT = On The Job Training

Distribution of Chart of Accounts

All CareerSource North Florida employees involved with account coding or budgetary responsibilities will be issued a current chart of accounts, or the section of the chart of accounts applicable to their program. As the chart of accounts is revised, an updated copy of the chart of accounts shall be promptly distributed to these individuals.

Control of Chart of Accounts

The Executive Director and Director of Finance CLM monitors and controls the chart of accounts, including all account maintenance, such as additions and deletions. Any additions or deletions of accounts must be approved by the Executive Director and Director of Finance CLM, who ensures that the chart of accounts is consistent with the organizational structure of CareerSource North Florida and meets the needs of each division and department.

Accounting Estimates

CareerSource North Florida utilizes numerous estimates in the preparation of its interim and annual financial statements. Some of those estimates include:

1. Useful lives of property and equipment
2. Fair market values of investments
3. Fair market values of donated assets
4. Values of contributed services
5. Cost allocation calculations

The Executive Director will reassess, review, and approve all estimates yearly. All conclusions, bases, and other elements associated with each accounting estimate shall be documented in writing. All material estimates, and changes in estimates from one year to the next, shall be disclosed to the Finance/Audit Committee, and the external audit firm.

Journal Entries

All general ledger entries that do not originate from a subsidiary ledger shall be supported by journal vouchers or other documentation, including an explanation of each such entry. Examples of such journal entries are:

1. Recording of noncash transactions
2. Corrections of posting errors
3. Nonrecurring accruals of income and expenses

Certain journal entries, called recurring journal entries, occur in every accounting period. These entries may include, but are not limited to:

1. Depreciation of fixed assets
2. Amortization of prepaid expenses
3. Accruals of recurring expenses
4. Amortization of deferred revenue

Recurring journal entries shall be supported by a schedule associated with the underlying asset or liability account or, in the case of short-term recurring journal entries or immaterial items, a journal voucher.

All journal entries not originating from subsidiary ledgers shall be authorized in writing by the Director of Finance CLM by initialing or signing the entries.

POLICIES ASSOCIATED WITH REVENUES AND CASH RECEIPTS

REVENUE

Revenue Recognition Policies

CareerSource North Florida receives revenue from several types of transactions. Revenue from each of these types of transactions is recognized in the financial statements in the following manner:

1. **Grant income** – Monthly accrual based on incurrence of allowable costs (for cost-reimbursement awards) or based on other terms of the award (for fixed price, unit-of-service, and other types of awards).
2. **Contributions** – Recognized as income when received, unless accompanied by restrictions or conditions. All pledges, bequests and endowments shall be recognized in conformity with GAAP and GASB.
3. **In-Kind Contributions or Non-Federal Share** – Recognized as income when received. (See the COST SHARING AND MATCHING section of this manual.)
4. **Program Income** – Defined as gross income generated by a supported activity or earned as a result of an award, and is recognized as a reduction in expenditures in the period in which it is received.
5. **Fee-for-Service Income** – Recognized as income when services are rendered unless collection of amounts due is in question. In this case, revenue is recognized when payments are received.
6. **Interest income** – monthly accrual based on when it was earned.

Immaterial categories of revenue may be recorded on the cash basis of accounting (i.e., recorded as revenue when received) as deemed appropriate by the Director of Finance CLM in conjunction with the Executive Director.

Definitions

The following definitions shall apply with respect to the policies described in this manual:

Contribution – An unconditional transfer of cash or other assets to CSNF, or a settlement or cancellation of CSNF's liabilities, in a voluntary nonreciprocal transfer by another entity or individual.

Condition – A donor-imposed stipulation that specifies a future and uncertain event whose occurrence or failure to occur gives the promisor a right of return of the assets it has transferred to CSNF or releases the promisor from its obligation to transfer its assets. In practical terms, this means a donor has imposed some type of stipulation other than a purpose or time period stipulation (which is defined as a restriction below) and that condition has some degree of uncertainty as to whether or not it will

occur, and if the condition is not met, CSNF is not entitled to the contribution. Conditions may or may not be within the control of CSNF.

Restriction – A donor-imposed stipulation that specifies a use for the contributed asset that is either limited to a specific future time period or is more specific than the broad limits resulting from the nature of CSNF, the environment in which it operates, and the purposes specified in the Articles of Incorporation and Bylaws. Restrictions on the use of an asset may be temporary or permanent.

Nonreciprocal Transfer – A transaction in which an individual or entity incurs a liability or transfers assets to CareerSource North Florida without directly receiving value in exchange.

Promise to Give – A written or oral agreement to contribute cash or other assets.

Exchange Transaction – A reciprocal transaction in which CareerSource North Florida and another entity each receive and sacrifice something of approximately equal value.

ADMINISTRATION OF FEDERAL AWARDS

Definitions

CareerSource North Florida may receive financial assistance from a donor/grantor agency through the following types of agreements:

Grant – A financial assistance award given to CSNF to carry out its programmatic purpose.

Cooperative Agreement – A legal agreement where CSNF implements a program with the direct involvement of the funder.

Throughout this manual, federal assistance received in any of these forms will be referred to as a federal “award.”

Preparation and Review of Proposals

Individual departments are responsible for preparing proposals for projects that the department intends to pursue. Final proposals shall be reviewed and approved in writing by the Board of Directors and the Executive Director.

Post-Award Procedures

After an award has been made, the following steps shall be taken:

1. Verify the specifications of the grant or contract. The Executive Director, in conjunction with the Administrative Coordinator and CLM Finance Department shall review the terms, time periods, award amounts, and expected expenditures associated with the award. A *Catalog of Federal Domestic Assistance* (CFDA) number shall be determined for each award. All reporting requirements under the contract or award shall be summarized.
2. Create new general ledger account numbers (or segments) if necessary. New accounts shall be established for the receipt and expenditure categories in line with the grant or contract budget.
3. Gather documentation. See the following Document Administration section for details.

Compliance with Laws, Regulations, and Provisions of Awards

CareerSource North Florida recognizes that as a recipient of federal funds, CSNF is responsible for compliance with all applicable laws, regulations, and provisions of contracts and grants. To ensure that CSNF meets this responsibility, the following policies apply with respect to every grant or contract received directly or indirectly from a federal agency:

1. For each federal award, the Executive Director will be responsible for administering the award and will be designated as “grant manager,” unless designated otherwise.

2. The grant manager shall attend a training on grant management prior to beginning his or her role as a grant manager (or as early in their functioning as a grant manager as practical). Thereafter, all grant managers shall attend refresher/update courses on grant management every two years.
3. The grant manager shall take the following steps to identify all applicable laws, regulations, and provisions of each grant and contract:
 - a. Read each award and prepare a summary of key compliance requirements and references to specific laws and regulations.
 - b. Review *2 CFR Part 200 Appendix XI, Compliance Supplement* (updated annually) published by the Office of Management and Budget (OMB) for compliance requirements unique to the award and for compliance requirements common to all federal awards.
 - c. Review the section of the *Catalog of Federal Domestic Assistance* (CFDA) applicable to the award.
 - d. The grant manager will communicate grant requirements to those who will be responsible for carrying them out, or impacted by them.
4. The grant manager and/or the Finance Department shall identify and communicate any special changes in policies and procedures necessitated by federal awards as a result of the review of each award.
5. The grant manager shall take all reasonable steps necessary to identify applicable changes in laws, regulations, and provisions of contracts and grants. Steps taken in this regard shall include, but not be limited to, reviewing subsequent grant and contract renewals, reviewing annual revisions to *2 CFR Part 200 Appendix XI, Compliance Supplement*, and communications with federal awarding agency personnel.
6. The grant manager shall inform the independent auditors of applicable laws, regulations, and provisions of contracts and grants. The grant manager shall also communicate known instances of noncompliance with laws, regulations, and provisions of contracts and grants to the auditors.

Document Administration

For each grant/award received by CareerSource North Florida from a federal, state, or local government agency, a master file of documents applicable to the award shall be prepared and maintained. The responsibility for assembling each master file shall be assigned to the grant manager assigned to administer the program.

The master file assembled for each government award shall include all of the following documents (including originals of all documents received from the awarding agency):

1. Copy of the initial application for the award and corresponding budget
2. All correspondence to and from the awarding agency post-application, leading up to the award
3. The final, approved budget and program plan, after making any modifications
4. The grant agreement and any other documents associated with the initial making of the award

5. Copies of pertinent laws and regulations, including awarding agency guidelines, associated with the award
6. Subsequent grant modifications (financial and programmatic)
7. Copies of program and financial reports
8. Subsequent correspondence to/from the awarding agency
9. Results of any monitoring visits conducted by the awarding agency, including resolution by CareerSource North Florida of any findings arising from such visits
10. Correspondence and other documents resulting from the closeout process of the award

The preceding grant document file shall be organized into four sections as follows:

1. Pre-award documents
2. Post-award documents, including reports
3. Laws, regulations, and agency guidelines
4. Audit/monitoring-related documents

In a stand alone document inside the grant document file shall be a Summary of Critical Award Provisions, prepared by the grant manager. This summary shall include, at a minimum, the following:

1. Key compliance requirements, including citations of applicable laws and regulations
2. Important deadlines
3. Correspondence contact information at the awarding agency

The original grant document file shall remain on the Administrative Share Drive on the server. Any other CareerSource North Florida employee making a valid request for access to grant documents shall be provided with a copied electronic file.

Closeout of Federal Awards

CareerSource North Florida shall follow the closeout procedures described in 2 *CFR* 200.343 – 345, *Closeout*, and in the grant agreements as specified by the granting agency.

CareerSource North Florida and all subrecipients shall liquidate all obligations incurred under the grant or contract within 90 days of the end of the grant or contract agreement. All reports must be submitted to CSNF and corresponding payment made within 45 days of the end of contract. Additionally, the subrecipient must promptly refund any balances of unobligated cash that CSNF may have paid in advance or paid and that are not authorized to be retained by the non-Federal entity for use in other projects. (OMB Circular A-129 and § 200.346). CSNF will make a settlement for any upward or downward adjustments to the Federal share of costs after closeout reports are received, if necessary. The subrecipient must account for any real and personal property acquired with Federal funds or received from the Federal Government in accordance with §§ 200.310 through 200.316 and 200.330.

INFRASTRUCTURE COST SHARING

Overview

Infrastructure costs for determining partners' share of obligation for one-stop costs include common costs required to operate the comprehensive career center in Madison. These amounts are allocated to each funding stream CSNF charges FTE to. Once allocated, what is left is divided among the partners based on the area they use and the amount of time they are in the one-stop. Their total obligation is then subtracted by any in-kind services they provide within the one-stop. If a balance remains, the partner is obligated to pay that amount. Actual in-kind costs must be reported to and tracked by CSNF.

CareerSource North Florida values contributed services and property that are to be used to meet a cost sharing or matching requirement at their fair market values at the time of contribution, unless award documents or federal agency regulations identify specific values to be used. CareerSource North Florida shall claim contributions as meeting a cost sharing or matching requirement of a federal award only if all of the following criteria are met:

1. They are verifiable from CareerSource North Florida records.
2. They are not included as contributions (or match) for any other federally-assisted project or program.
3. They are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
4. They are allowable under the federal cost principles, 2 CFR Part 200 Subpart E, Cost Principles.
5. They are not paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing or matching.
6. They are provided for in the approved budget when required by the federal awarding agency.
7. They conform to all provisions of federal administrative regulations, 2 CFR Part 200 Subpart D, Post Federal Awards Requirements.

													FTE est	0.20	0.50	0.20	1.50	0.20	0.20
	FTE Estimate	23.000	5.00	3.50	3.50	3.00	2.50	1.25	1.00	1.25	1.00	1.00	Extra spaceadjustment	0.20	0.50	0.20	4.50	0.20	0.20
	FTE Percentage	100.0%	0.22	0.15	0.15	0.13	0.11	0.05	0.04	0.05	0.04	0.04	FTE %	3.4%	8.6%	3.4%	77.6%	3.4%	3.4%
Infrastructure Costs	Annual Budget	WIOA Adult	WIOA Youth	WIOA DisWkr	WT TANF	SNAP	WP	WP Inc	RA/UC	Vets DVOP	RESEA	Remaining for partners	SCSEP NCBA	VR *	Div Blind Svcs *	Adult Ed MadCo *	Career Tech * NFCC	CSBG SREC*	
Lease	58,518	12,721	8,905	8,905	1,162	6,361	3,180	2,544	138	2,544	2,544	9,513	328	820	328	7,381	328	328	
Phones/Internet	23,960	5,209	3,646	3,646	476	2,604	1,302	1,042	57	1,042	1,042	3,895	134	336	134	3,022	134	134	
Sec/Pest/Jan	10,750	2,337	1,636	1,636	213	1,168	584	467	25	467	467	1,748	60	151	60	1,356	60	60	
Supplies	8,625	1,875	1,313	1,313	171	938	469	375	20	375	375	1,402	48	121	48	1,088	48	48	
Utilities	15,122	3,287	2,301	2,301	300	1,644	822	657	36	657	657	2,458	85	212	85	1,907	85	85	
Insurance Prop	1,875	408	285	285	37	204	102	82	4	82	82	305	11	26	11	236	11	11	
Copier	1,648	358	251	251	33	179	90	72	4	72	72	268	9	23	9	208	9	9	
Technology:																			
Prof Svcs IT Contract	50,040	10,878	7,615	7,615	993	5,439	2,720	2,176	118	2,176	2,176	8,135	281	701	281	6,312	281	281	
Software	1,265	275	193	193	25	138	69	55	3	55	55	206	7	18	7	160	7	7	
subtotal	171,804	37,349	26,144	26,144	3,410	18,674	9,337	7,470	406	7,470	7,470	27,930	963	2,408	963	21,670	963	963	

BILLING/INVOICING POLICIES

Responsibilities for Billing and Collection

CareerSource North Florida is responsible for the invoicing of funding sources and the collection of outstanding receivables. (Note: Cash receipts, credit memo, and collection policies will be discussed in subsequent sections.)

Accounts Receivable Entry Policies

Individuals independent of the cash receipts function shall post customer invoices, credit adjustments, and other adjustments to the accounts receivable subsidiary ledger.

Billing and Financial Reporting

CareerSource North Florida strives to provide directors, management, staff, and funding sources with timely and accurate financial reports applicable to federal awards. These reports include monthly and cumulative expenditures, a project budget, and a balance remaining column.

CareerSource North Florida shall prepare and submit financial reports as specified by the financial reporting clause of each grant or contract award document. Preparation of these reports shall be the responsibility of Director of Finance CLM.

CareerSource North Florida shall prepare and submit monthly financial “board reports,” to the CSNF Board for review and approval. Preparation of these reports shall be the responsibility of the Administrative Coordinator.

The following policies shall apply to the preparation and submission of billings to federal agencies under awards made to CareerSource North Florida:

1. CSNF will request reimbursement after expenditures have been incurred, unless an award specifies another method.
2. CareerSource North Florida will strive to minimize the time between receipt of advances of federal funds and disbursement of grant funds by issuing payments within [24 business hours] of receipt of such funds. (See following section for more information on advances of federal funds.)
3. Each award normally specifies a particular billing cycle. Therefore, a schedule is established for each grant and contract to ensure that reimbursement is made on a timely basis along with any other reporting that is required in addition to the financial reports.
4. Requests for reimbursement of award expenditures will use the actual amounts as posted to the general ledger as the source for all invoice amounts.
5. All financial reports required by each federal award will be prepared and filed on a timely basis. To the extent CareerSource North Florida’s year-end audit results in adjustments to amounts

previously reported to federal agencies, revised reports shall be prepared and filed in accordance with the terms of each federal award.

CareerSource North Florida shall maintain separate billing records in addition to the official general ledger accounting records. Billing records shall be reconciled to the general ledger on a monthly basis.

At the time invoices (requests for reimbursement) are prepared, revenue and accounts receivable shall be recorded in the accounting records of CareerSource North Florida by the CLM Bookkeeper.

If a federal award authorizes the payment of cash advances to CareerSource North Florida, the Director of Finance CLM may require that a request for such an advance be made. Upon receipt of a cash advance from a federal agency, CareerSource North Florida shall reflect a liability equal to the advance. As part of the monthly closeout and invoicing process, the liability shall be reduced, and revenue recognized, in an amount equal to the allowable costs incurred for that period.

Cash Drawdowns, Advances, and Disbursement of Federal Funds

Cash drawdowns of advances from federal agencies shall be made in conjunction with the accounts payable and payroll schedule, based on need. All federal funds shall be deposited into an interest-bearing cash account under the cash receipts policies and procedures described in this manual. CareerSource North Florida requires that federal funds will be disbursed within 24 hours of receipt using the following process:

1. The Administrative Coordinator compiles approved invoices, transmittals, vouchers, purchase requests and any applicable back-up documentation and submits to the CLM Bookkeeper.
2. The Bookkeeper will
 - a. match and check all invoices against the authorized purchasing document or contractual agreements insuring that all terms of the agreement are met
 - b. prepare the accounts payable journal voucher
3. The Bookkeeper will then enter the invoices for payment into the accounting system
4. The Administrative Coordinator will
 - a. Review the data entry process and return any corrections to the Bookkeeper.
5. The Bookkeeper will then post the accounts payable batch to the general ledger after the Finance Director CLM and Executive Director approves for payment, and then post the checks in accordance with MIP procedure.
6. The Bookkeeper will then advise the Administrative Coordinator that the checks are ready for payment, and
7. The Administrative Coordinator will process checks following the check procedure and submit to the Executive Director (or other authorized signor in the absence of the Executive Director) for signature.

Classification of Income and Net Assets

All income received by CareerSource North Florida is classified as "unrestricted," with the exception of the following:

1. Grants and other awards or compensation received from government agencies or other grantors, which are classified as temporarily restricted.
2. Special endowments received from donors requesting that these funds be permanently restricted for specific purposes.
3. Income earned from endowment funds (e.g., interest and dividends, gains and losses) in connection with endowments where the donor has explicitly stated that earnings on an endowment be temporarily restricted for specific purposes.

From time to time, CareerSource North Florida may raise other forms of contribution income which carry stipulations that CSNF utilize the funds for a specific purpose or within a specified time period identified by the donor of the funds. When this form of contribution income is received, CareerSource North Florida shall classify this income as Temporarily Restricted income.

As with all Temporarily Restricted net assets, when the restriction associated with a contribution has been met (due to the passing of time or the use of the resource for the purpose designated by the donor), CareerSource North Florida will reclassify the related net assets from "Temporarily Restricted" to "Unrestricted" in its Statement of Financial Position and reflect this reclassification as an activity in its Statement of Activities.

From time to time, the CareerSource North Florida Board of Directors may determine that it is appropriate to set funds aside for specific projects. Such funds shall be classified as "unrestricted," labeled "Board-Designated," and reported as a separate component of unrestricted net assets.

CASH RECEIPTS

Overview

Cash (including checks payable to CSNF) is the most liquid asset an organization has. Therefore, it is the objective of CareerSource North Florida to establish and follow the strongest possible internal controls in this area.

Processing of Checks Received in the Mail

As a rule, actual cash is not accepted by CareerSource North Florida. The following procedures will be followed in the event of receipt of checks, money orders, or other forms of payment:

- Check receipts are received in a central location, rather than at remote sites, to ensure that checks received are appropriately directed, recorded, and deposited on a timely basis.
- Mail is opened by the Administrative Coordinator, documented, and immediately scanned forwarded via email to the Bookkeeper, while the actual check is forwarded to the Bookkeeper via mail
- The Accountant I prepares the deposit slip, following the endorsement procedure below

Endorsement of Checks

All checks received that are payable to CSNF shall immediately be restrictively endorsed by the Accountant I who prepares the daily receipts listing. The restrictive endorsement shall be a stamp that includes the following information:

1. For Deposit Only
2. North Florida Workforce Development Board d.b.a. CareerSource North Florida
3. The bank name
4. The bank account number of CareerSource North Florida

Timeliness of Bank Deposits

Bank deposits will be made as needed by the Bookkeeper. Undeposited checks shall be maintained in a locked box and kept in a secure area until deposited.

Credit Card Receipts

CareerSource North Florida accepts credit card payments via PayPal. Individual CareerSource North Florida departments may not use or negotiate individual contracts with these or other payment card companies or processors.

When clients or donors wish to make payment via credit card, they will be directed to the Administrative Coordinator, who will prepare an invoice via PayPal to be sent to the client or donor. The client or donor may then pay the invoice online at their convenience.

Reconciliation of Deposits

On a periodic basis, the Director of Finance CLM, who does not prepare the initial cash receipts listing or bank deposit, shall reconcile the listings of receipts to bank deposits on the monthly bank statement. Any discrepancies shall be immediately investigated.

Control Grid - Revenue and Cash Receipts

CareerSource North Florida strives to maintain adequate segregation of duties in its income and cash receipts functions. The following table illustrates how responsibilities have been assigned. In this table, personnel are identified as follows:

- A. Executive Director
- B. Finance Director CLM
- C. Administrative Coordinator
- D. Bookkeeper CLM
- E. Accountant (I) CLM

	A	B	C	D	E
Produces invoice to bill customer/funder			X		
Enters invoice into A/R system				X	
Initials receipt of funds (cash or checks)			X		X
Restrictively endorses checks					X
Initials receipt of credit card payments			X		
Prepares initial record of funds collected			X		
Prepares deposit slip					X
Takes deposit slip to bank				X	
Processes credit card payments			X		
Enters payments into A/R system				X	
Reconciles log of collections w/ A/R posting					X
Authorizes credits or other adjustments	X				
Posts credits/adjustments to A/R system		X			
Authorizes write-off of bad debts	X				
Posts bad debt write-offs to A/R system				X	
Prepares periodic customer statements			X		
Reconciles A/R with general ledger					X
Reconciles bank statement					X
Reviews A/R aging					X
Performs follow-up calls on old A/R			X		

ACCOUNTS RECEIVABLE MANAGEMENT

Credits and Other Adjustments to Accounts Receivable

From time to time, credits against accounts receivable from transactions other than payments and bad debts will occur. Examples of other credits include returned products and adjustments for billing errors. An employee who is independent of the cash receipts function will process credits and adjustments to Accounts Receivable, and all credits shall be authorized by the Director of Finance CLM.

POLICIES ASSOCIATED WITH EXPENDITURES AND DISBURSEMENTS

PURCHASING POLICIES AND PROCEDURES

Overview

THE POLICIES DESCRIBED IN THIS SECTION APPLY TO ALL PURCHASES MADE BY CAREERSOURCE NORTH FLORIDA.

CareerSource North Florida requires the practice of ethical, responsible, and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all staff shall adhere to in the completion of their designated responsibilities.

The goal of these procurement policies is to ensure that materials and services are obtained in an effective manner and in compliance with the provisions of applicable federal statutes and grant requirements.

Responsibility for Purchasing

All department directors shall have the authority to initiate purchases on behalf of their department, within the guidelines described here. Department directors shall inform the Administrative Coordinator of all individuals that may initiate purchases or prepare purchase orders as their designee. The Administrative Coordinator shall maintain a current list of all authorized purchase approvers. While department directors may provide initial approval, the Executive Director holds final approval authority.

The Administrative Coordinator shall be responsible for processing purchase orders. The Executive Director has approval authority over all purchases and contractual commitments and shall make the final determination on any proposed purchases where budgetary or other conditions may result in denial.

Code of Conduct in Purchasing

(2 CFR Part 200.318 (c)(1))

Ethical conduct in managing CSNF's purchasing activities is absolutely essential. Staff must always be mindful that they represent the Board of Directors and share a professional trust with other staff and funding sources.

- Staff shall discourage the offer of, and decline, individual gifts or gratuities of that might influence the purchase of supplies, equipment, and/or services.
- Staff shall notify their immediate supervisor if they are offered such gifts.
- No officer, Board member, employee, or agent shall participate in the selection or administration of a contractor if a real or apparent conflict of interest would be involved. Such a conflict would arise if an officer, Board member, employee or agent, or any member of his or her immediate family, his or her spouse or partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the contractor selected.

- Officers, Board members, employees, and agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to sub-agreements.
- Unsolicited gifts with a value of \$50 or less may be accepted with the approval of the Executive Director.

Competition

(2 CFR Part 200.319)

In order to promote open and full competition, purchasers will:

- Be alert to any internal potential conflicts of interest.
- Be alert to any noncompetitive practices among contractors that may restrict, eliminate, or restrain trade.
- Not permit contractors who develop specifications, requirements, or proposals to bid on such procurements.
- Award contracts to bidders whose product or service is most advantageous in terms of price, quality, and other factors. Value should be considered over price.
- Issue solicitations that clearly set forth all requirements to be evaluated.
- Reserve the right to reject any and all bids when it is in CSNF's best interest.
- Not give preference to state or local geographical areas unless such preference is mandated by federal statute. *(200.319(b))*
- "Name brand or equivalent" description may be used as a means to define the performance or requirements. *(200.319(c)(1))*

Nondiscrimination Policy

All contractors who are the recipients of CSNF funds or who propose to perform any work or furnish any goods under agreements with CareerSource North Florida, shall agree to these important principles:

1. Contractors will not discriminate against any employee or applicant for employment because of race, religion, color, sexual orientation, or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractors.
2. Contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for meeting the intent of this section.

Procurement Procedures

The following are CareerSource North Florida's procurement procedures:

1. CareerSource North Florida shall avoid purchasing items that are not necessary or duplicative for the performance of the activities required by a federal award. *(2 CFR Part 200.318(d))*

2. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the federal government. (2 CFR Part 200.318(d)). This analysis need only be made when both lease and purchase alternatives are available to the program.
3. Purchasers are encouraged to enter into state and local inter-governmental or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. (2 CFR Part 200.318(e))
4. Purchasers are encouraged to use federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. (2 CFR Part 200.318(f))
5. Documentation of the cost and price analysis associated with each procurement decision in excess of the simplified acquisition threshold (\$250,000) shall be retained in the procurement files pertaining to each federal award. (2 CFR Part 200.318 / 45 CFR 75.327)
6. All pre-qualified lists of persons, firms or products which are used in acquiring goods and services must be current and include enough qualified sources to ensure maximum open and full competition. (2 CFR Part 200.319(d))
7. CareerSource North Florida will maintain records sufficient to detail the history of procurement, including: (2 CFR Part 200.318(i))
 - a. Rationale for the method of procurement, including quotes, scoresheets, etc.;
 - b. Selection of contract type;
 - c. Contractor selection or rejection; and
 - d. The basis for the contract price.
8. CareerSource North Florida shall make all procurement files available for inspection upon request by a federal or pass-through awarding agency.
9. CareerSource North Florida shall not utilize the cost-plus-a-percentage-of-costs or percentage of construction cost methods of contracting. (2 CFR Part 200.323(d))
10. CareerSource North Florida may use a time-and-materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. (2 CFR 200.318(j))
11. CareerSource North Florida alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. (2 CFR 200.318(k))
12. When applicable, CareerSource North Florida must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. (2 CFR 200.324(b)) Also, costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost

estimates included in negotiated prices would be allowable for the non-Federal entity under subpart E of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles. (2 CFR 200.324(c))

13. In addition to the requirements at [29 CFR 95.48](#) or [29 CFR 97.36\(i\)](#) (as appropriate), all procurement contracts and other transactions between Local Boards and units of State or local governments must be conducted only on a cost reimbursement basis. No provision for profit is allowed and any excess of revenue over costs incurred for services provided by a governmental or non-profit entity must be included in program income (20 CFR 667.200(a)(3 & 6)).
14. CareerSource North Florida may utilize State and Federal Procurement contracts as a part of its competitive procurement process in lieu of price/rate quotes and/or bids. Board approval is required to utilize in lieu of the Sealed bid process.

All staff members with the authority to approve purchases will receive a copy of, and be familiar with, 2 CFR Part 200.400 – 475, Cost Principles.

Service Agreements

Service Agreements are considered to be those agreements where the agreement is open-ended (no end date) but may end at any time with adequate notice to the vendor. Examples may include security monitoring or copier/printer usage. To ensure fair and open competition, CSNF staff must take in quotes every three years for this type of agreement.

Authorizations and Purchasing Limits

All approved purchase orders must be signed by the preparer, reviewed by the Department Director and/or the Executive Coordinator, and approved by the Deputy Director and/or Executive Director depending on the required approval levels, providing a three (3) person review process.

Micro-Purchases

For single purchases less than or equal to \$10,000 are considered micro-purchases except as listed under 48 CFR 2.101.

URL: [https://www.ecfr.gov/current/title-48/part-2/subpart-2.1#p-2.101\(Micro-purchase%20threshold\)](https://www.ecfr.gov/current/title-48/part-2/subpart-2.1#p-2.101(Micro-purchase%20threshold))

Purchases of single item costs \$0 - \$250:

For practical business reasons, purchases of individual items costing **\$250 or less** are **exempt from the three (3) quote process**. This exemption is intended to streamline operations for minor purchases while maintaining overall compliance with financial controls.

Purchases of single item costs \$251 - \$10,000:

- Must be approved by the Deputy Director or Executive Director
- Solicitations-
 - Must obtain 3 written requests for price/rate quotations.
- Required Documentation -
 - Copy of written request for price/rate quotations, agreement, and proof of all requests sent
 - Scoring grids including who participated in the scoring, and justification/ recommendation
 - Purchasing check list
 - Approved Purchase order

Purchases of single item costs \$10,001 equal to or less than \$25,000:

- Must be approved by the Executive Director
- Solicitations-
 - Must obtain 3 written requests for price/rate quotations.
- Required Documentation-
 - Copy of written request for price/rate quotations, agreement, and proof of all requests sent
 - Scoring grids including who participated in the scoring, and justification/ recommendation
 - Purchasing check list
 - Approved Purchase order

Purchases of single item costs \$25,001 equal to or less than \$250,000

- Must be approved by the Executive Director
- Solicitation-
 - Written Request for Bids or Request for Proposals
 - Must be advertised.
 - If less than 3 bids are received, the Executive Committee may determine how to proceed.
- Required Documentation
 - Copy of Solicitation Notice,
 - Copy of the RFP/RFQ/RFI and draft agreement
 - Copy of the proof of advertisement(s)
 - Bid team(staff) scoring grids including who participated in the scoring, justification, and recommendation
 - Purchasing checklist
 - Approved Purchase order

Purchases of single item costs greater than \$250,000

Except as listed under 48 CFR 2.101

URL: [https://www.ecfr.gov/current/title-48/part-2/subpart-2.1#p-2.101\(Simplified%20acquisition%20threshold\)](https://www.ecfr.gov/current/title-48/part-2/subpart-2.1#p-2.101(Simplified%20acquisition%20threshold))

- Must be approved by the Executive Committee and Board of Directors
- Solicitations –
 - Approval of solicitation for sealed bids, notice and RFP/RFQ/RFI documents including draft agreement from Executive Committee/Board of Directors.
 - Sealed Bids must be opened in a noticed public meeting.
 - Bid team (staff) will be chosen by the Executive Director unless otherwise recommended by the Board.
 - Executive Director will provide the Board with bids results.
 - Bid award must be approved by the Executive Committee and Board of Directors
 - Electronic Bids will not be accepted
- Required Documentation
 - Copy of Solicitation Notice
 - Copy of RFP/RFQ/RFI and draft agreement
 - Proof of advertisement(s)
 - Bid team (staff) scoring grids including who participated in the scoring, justification, and recommendation
 - Notice of Award
 - Purchasing checklist
 - Approved purchase order

The Executive Director is authorized to enter into any contract on behalf of CareerSource North Florida. These policies shall also apply to renewals of existing contracts.

Use of Purchase Orders

CareerSource North Florida utilizes a purchase order system. A properly completed purchase order shall be required for each purchase decision (i.e., total amount of goods and services purchased, not unit cost), with the exception of travel advances and expense reimbursements, which require the preparation of a separate form described elsewhere in this manual. A properly completed purchase order shall contain the following information, at a minimum:

1. Specifications or statement of services/products required
2. Contractor name, address, point of contact and phone number
3. Source of funding
4. Delivery or performance schedules
5. Delivery, packing, and transportation requirements
6. Special conditions (if applicable)
7. Catalog number, page number, etc. (if applicable)
8. Net price per unit, less discount, if any
9. Total amount of order
10. Authorized signature
11. Date purchase order was prepared
12. Three (3) person review – 3 signatures required

All purchase orders shall be recorded in a purchase order log. At the end of each month, an aged outstanding purchase order report shall be prepared and distributed to each purchaser and the Executive Director.

Non Competitive Purchases (Sole Source)

Emergencies:

Where equipment, materials, parts, and/or services are needed, quotations will not be necessary if the health, welfare, safety, etc., of staff and protection of CSNF property is involved. The reasons for such purchases will be documented in the procurement file.

Single Distributor/Source:

Sole source purchases may be made when one or more of the following circumstances apply:

- The item or service is only available from a single source;
- The situation is an emergency and will not permit a delay resulting from competitive solicitation;
- The awarding agency expressly authorizes a noncompetitive proposal in response to a written request; or
- After solicitation, competition is deemed inadequate (insufficient bidders).
- Parts/Services/Equipment are required as part of an ongoing standardization process.
- Parts/Equipment not interchangeable with similar parts from another manufacturer (compatibility).

Approval from the awarding agency may be required.

*The Executive Director must pre-approve all sole/single source purchases.

Purchase order Exempt Items/Services

An approved purchase order must be obtained in advance of obligation of any funds. Exceptions to this rule are:

- Salaries by position, which were included in the agency's annual budget.
- Travel expenses incurred in the course of official duties for an employee, conference, and lodging fees
- Routine overhead costs, permits, insurance, and registration such as: natural gas, electricity, water, phone and recurring garbage collection.
- Newspaper advertisements
- Participant training and testing fees

Required Solicitation of Quotations from Contractors

Solicitations for goods and services (requests for proposals (RFPs)) should provide for all of the following:

1. A clear and accurate description of the technical requirements for the material, product, or service to be procured. Descriptions shall not contain features which unduly restrict competition. (2 CFR Part 200.319(c)(1))
2. Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals. (See EVALUATION OF ALTERNATIVE CONTRACTORS below for required criteria.) (2 CFR Part 200.319(c)(2))

3. Technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards. *(2 CFR Part 200.319(c)(1))*
4. The specific features of "brand name or equal" descriptions that bidders are required to meet when appropriate. *(2 CFR Part 200.319(c)(1))*
5. A description of the format, if any, in which proposals must be submitted, including how to submit proposals.
6. The date by which proposals are due.
7. Required delivery or performance dates/schedules.
8. Clear indications of the quantity(ies) requested and unit(s) of measure, if applicable.

Extension of Due Dates and Receipt of Late Proposals

Solicitations should provide for sufficient time to permit the preparation and submission of offers before the specified due date. However, an extension may be granted if a prospective offeror so requests or if no submissions have been received by the due date.

Contractor proposals are considered late if received after the due date and time specified in the solicitation. Late proposals shall be so marked on the outside of the envelope and retained, unopened, in the procurement folder. Contractors that submit late proposals shall be sent an email notifying them that their proposal was late and could not be considered for award.

Evaluation of Alternative Proposers

Proposers shall be evaluated on a weighted scale that considers some or all of the following criteria as appropriate for the purchase:

1. Adequacy of the proposed methodology
2. Skill and experience of key personnel
3. Demonstrated experience
4. Other technical specifications designated by the department requesting proposals
5. Compliance with administrative requirements of the request for proposal (format, due date, etc.)
6. Proposer's financial stability
7. Proposer's demonstrated commitment to the nonprofit sector
8. Results of communications with references supplied by proposer
9. Ability/commitment to meeting time deadlines
10. Cost
11. Minority, small business, women-owned business status of proposer, or labor surplus firm
12. Other criteria (to be specified by the department requesting proposal)

Not all of the preceding criteria may apply in each purchasing scenario. However, the department responsible for the purchase shall establish the relative importance of the appropriate criteria prior to

requesting proposals and shall evaluate each proposal on the basis of the criteria and weighting that have been determined.

After a contractor has been selected and approved by the evaluator, the final selection shall be approved by others according to CareerSource North Florida's purchasing approval policies as noted in the table above.

Affirmative Consideration of Minority, Small Business, Women-Owned Businesses, and Labor Surplus Area Firms

(2 CFR Part 200.321)

Positive efforts shall be made by CareerSource North Florida to utilize small businesses, minority-owned firms, women's business enterprises, and labor surplus area firms whenever possible. Therefore, the following steps shall be taken:

1. Ensure that small business, minority-owned firms, women's business enterprises, and labor surplus area firms are used to the fullest extent practicable. *(2 CFR Part 200.321)*
2. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small business, minority-owned firms, women's business enterprises, and labor surplus area firms. *(2 CFR Part 200.321(b)(4))*
3. Consider in the contract process whether firms competing for larger contracts tend to subcontract with small businesses, minority-owned firms, women's business enterprises, and labor surplus area firms. *(2 CFR Part 200.321(b)(6))*
4. Encourage contracting with consortiums of small businesses, minority-owned firms, women's business enterprises, and labor surplus area firms when a contract is too large for one of these firms to handle individually. *(2 CFR Part 200.321(b)(3))*
5. Use services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency. *(2 CFR Part 200.321(b)(5))*

Availability of Procurement Records

(2 CFR Part 200.324(b))

CareerSource North Florida shall, on request, make available for the federal awarding agency, pre-award review and procurement documents, such as requests for proposals, when any of the following conditions apply:

- The process does not comply with the procurement standards in 2 CFR Part 200. *(2 CFR Part 200.324(b)(1))*
- The procurement is expected to exceed the federally-defined simplified acquisition threshold (\$250,000) and is to be awarded without competition or only one bid is received. *(2 CFR Part 200.324(b)(2))*

- The procurement exceeds the simplified acquisition threshold and specifies a “name brand” product. (2 CFR Part 200.324(b)(3))
- The proposed award exceeds the federally-defined simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed-bid procurement. (2 CFR Part 200.324(b)(4))
- A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the federally-defined simplified acquisition threshold. (2 CFR Part 200.324(b)(5))

Provisions Included in All Contracts

(2 CFR Part 200 Appendix II)

CareerSource North Florida includes all of the following provisions, as applicable, in all contracts charged to federal awards (including small purchases) with contractors and subgrants to grantees:

1. **Contracts** for more than the simplified acquisition threshold currently set at \$250,000, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
2. All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-federal entity including the manner by which it will be effected and the basis for settlement.
3. **Equal Employment Opportunity:** All contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with E.O. 11246, “Equal Employment Opportunity,” as amended by E.O. 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and as supplemented by regulations at 41 CFR Part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
4. **Davis-Bacon Act, as amended (40 U.S.C. 3141-3148):** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by CareerSource North Florida and its subrecipients must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144 and 3146-3148) and as supplemented by Department of Labor regulations (29 CFR part 5, “Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction”). This is not common as CSNF does not construct.
5. The contracts must also include a provision for compliance with the **Copeland “Anti-Kickback” Act (40 U.S.C. 3145)**, as supplemented by Department of Labor regulations (29 CFR part 3). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. This is not common as CSNF does not construct.

6. **Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708).** Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include provisions concerning overtime pay and working conditions in compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5).
7. **Rights to Inventions Made Under a Contract or Agreement:** If the federal award meets the definition of "funding agreement" under 37 CFR 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organization and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the award agency.
8. **Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended:** Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-federal award to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251-13287). Violations must be reported to the federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
9. **Debarment and Suspension (E.O.s 12549 and 12689):** A contract award must not be made to the parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with E.O.'s 12549 and 12689, "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than E.O. 12549.
10. **Byrd Anti-Lobbying Amendment (31 U.S.C. 1352):** Contractors that apply or bid for an award exceeding \$100,000 must file the required certification that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. 1352.

CSNF also requires , the Certification Regarding Lobbying Form is required in addition to the contract clause, when the agreement is in excess of \$100,000.

11. Procurement of recovered materials. A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid

waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines. § 200.323.

12. Prohibition on certain telecommunications and video surveillance services or equipment. § 200.216
13. Domestic preferences for procurements. § 200.322

Right to Audit Clause

CareerSource North Florida requires a “Right to Audit” clause in all contracts between CSNFs and contractors that either:

1. Take any form of temporary possession of assets directed for CSNF, or
2. Process data that will be used in any financial function of CSNF.

This Right to Audit clause shall permit access to, and review of, all documentation and processes relating to the contractor’s/vendor’s operations that apply to CareerSource North Florida, as well as all documents maintained or processed on behalf of CareerSource North Florida, for a period of three years. The clause shall state that such audit procedures may be performed by CareerSource North Florida employees or any outside auditor or contractor designated by CSNF.

Verification of New Contractor

The Administrative Coordinator will perform additional procedures to validate the legitimacy of new contractors that shall be paid one-time or cumulative payments in excess of \$25,000 or other amount as determined by your organization. For such contractors, the Administrative Coordinator shall perform a limited public records search and shall contact the contractor/vendor to validate its existence.

Minimally, the Administrative Coordinator shall provide the following in the procurement checklist:

[State of Florida DMS Convicted Vendor List screenshot.](#)

[State of Florida DMS Discriminatory Vendor List screenshot.](#)

[State of Florida DMS Suspended Vendor List screenshot.](#)

[Sam.gov Federal Excluded Parties List screenshot.](#) (Under Search heading, Select Domain, Entity Information, Exclusions, and search by entity name). May have to resize to get entity name in screenshot.

Contractor Files and Required Documentation

The Administrative Coordinator shall create a contractor file for each new contractor/vendor or re-activated contractor/vendor from whom CareerSource North Florida purchases goods or services.

The Administrative Coordinator shall mail a blank Form W-9 to new contractor/vendor and request that the contractor complete and sign the W-9 (or provide equivalent, substitute information) and return it in the postage-paid envelope provided (or via email). Completed, signed Forms W-9 or substitute documentation shall be filed in each contractor’s/vendor’s file. Contractors/vendors who do not comply with this request shall be issued a Form 1099 at the end of each calendar year in accordance with the

policies described in the GOVERNMENT RETURNS section of this manual. See the PAYROLL AND RELATED POLICIES section for guidance on determining whether a contractor/vendor should be treated as an employee.

Contractor/vendor files shall have the following information:

1. Completed and signed Form W-9. Contractors/vendors being reactivated are required to complete a new Form W-9 to verify current name, address, and tax ID number.
2. Contractors/vendors with a post office (PO) box shall provide a physical location address for the master file. The PO Box number may be used for postal purposes. The contractor/vendor name and physical address will be verified by performing an online search, mailing of contractor/vendor forms that are required to be returned.
3. Evidence of non-inclusion.

The following procedures will be performed prior to creating or re-activating all contractor/vendor files to help ensure that each contractor only has one master file:

1. Search for existence of the tax ID number in the master file
2. Search for name variations and name standardization (entity resolution) (e.g. Doe, John; J Doe; John Doe)
3. Search for matching or similar addresses
4. Perform an online search of the contractor and the physical address to determine validity
5. Search for matches against the employee master file

Contractor/Vendor Master File Maintenance

CareerSource North Florida will monitor the contractor/vendor master file on a regular basis, with a full review of the master listing completed every year prior to year-end.

The Administrative Coordinator and Executive Director will review the master file for:

1. Duplicate contractors/vendors. Contractors/vendors with the same or similar tax ID number, name, address, email, contact, and other information. Duplicate contractors/vendors will be merged.
2. Contractors/vendors with a post office (PO) box address. Contractors/vendors with only a PO Box will be required to provide a physical location address for the master file.
3. Contractors/vendors without activity in the past year will be inactivated. Inactivated contractors/vendors must go through the contractor creation process before being re-activated.

Procurement Grievance Procedures

Any bidder may file a grievance with CareerSource North Florida following a competitive bidding process. Once a selection is made, bidders must be notified via email of the results. The written communication emailed to bidders must also inform them that they may have a right to appeal the decision. Information on CSNF's appeal procedures must be made available to all prospective

contractors/vendors or subgrantees upon request, including the name and address of a contact person, and a deadline for filing the grievance.

Grievances are limited to violations of federal laws or regulations, or failure of CSNF to follow its own procurement policies.

Receipt and Acceptance of Goods

The Administrative Coordinator or designated individual shall inspect all goods received. Upon receipt of any item from a contractor/vendor, the items are inspected for damage or other discrepancies. If any damage or discrepancies are discovered, the Administrative Coordinator will immediately initiate a return or grievance with contractor/vendor.

Contract Administration

CareerSource North Florida is required to have policies and procedures on contract administration. (2 *CFR Part 200.318(b)*) Therefore, all contract managers will adhere to the following procedures.

1. Contract administration files shall be maintained:
 - a. For each contract greater than \$10,000 a separate file shall be maintained.
 - b. For contracts less than \$10,000, contract records may be combined in a single file by grant or other funding source.
2. Contract administration files shall contain:
 - a. The required documentation specified in the authorizations and purchasing limits table for the original scope of work and for all amendments.
 - b. Where the contract work is identified in the grant award or budget, the identification and scope of the work contained in the award or budget, and all approved changes.
3. Authorization of work:
 - a. No work shall be authorized until the contract for the work has been approved and fully executed.
 - b. No change in the work shall be authorized until an amendment to the contract for the work has been approved and fully executed.
 - c. No amendment of a contract for work shall be executed until it has been approved and authorized as required in the Authorizations and Purchasing Limits table and, where required by the terms of the grant award or budget, approval by the funding source.
4. Conformance of work:
 - a. For each grant award, based on applicable laws, regulations and grant provisions, the Executive Director shall establish and maintain a system to reasonably assure that the contractor:
 - i. Is in conformance with the terms, conditions, and specifications of the contract, and
 - ii. Provides timely follow-up of all purchases to assure such conformance and adequate documentation.

5. The Executive Director will authorize payment of invoices to contracts after final approval of work products.

SUBRECIPIENTS

Making of Subawards

From time to time, CareerSource North Florida may find it practical to make subawards of federal funds to other organizations. All subawards in excess of the simplified acquisition threshold (\$250,000) shall be subject to the conflict of interest policies described in the PURCHASING POLICIES AND PROCEDURES section. In addition, all subrecipients must be approved in writing by the federal awarding agency and agree to the subrecipient monitoring provisions described in the next section.

CareerSource North Florida is required to evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward to determine the appropriate monitoring. Evaluations may include such factors as: *(2 CFR Part 200.331(b))*

- The subrecipient's prior experience with the same or similar subawards;
- The results of previous audits including whether or not the subrecipient receives a Single Audit, and the extent to which the same or similar subaward has been audited as a major program;
- Whether the subrecipient has new personnel, or new or substantially changed systems; and
- The extent and results of federal awarding agency monitoring (e.g., if the subrecipient also receives federal awards directly from a federal awarding agency).

CareerSource North Florida will keep a Memo for file regarding the risk assessment similar to the following example:

MEMO FOR RECORD

Risk Assessment for xxxxxxxxxxxx

RFP XXX Services July 1, 202X -June 30, 202X

CareerSource xxxx entered into two subrecipient contracts with xxxxx (In-school and Out-of-school Youth), both beginning on July 1, 202X and ending on June 30, 202X. Under 200.332, these awards have clearly been identified to the subrecipient as a sub award, with all required information.

CareerSource xxxx has evaluated the risk of non-compliance per 200.332(b) and determined there was no need to impose specific subaward conditions, as described in 200.332(b), upon xxxxx.

Monitoring of the activities performed by xxxxxx per each of these contracts is performed by CareerSource xxxx staff and by external monitoring staff.

CareerSource xxxxx staff review the monthly invoices received from xxxxxxxx for performance, financial accuracy, and compliance.

An external independent monitoring firm performs review of additional aspects of the documentation to determine compliance with all requirements. Current procedures require that any errors or deficiencies are addressed, documented, and reviewed for correction.

In addition, CareerSource North Florida shall obtain the following documents from all new subrecipients exceeding the simplified acquisition threshold:

1. Articles of Incorporation
2. Bylaws or other governing documents

3. Determination letter from the IRS (recognizing the subrecipient as exempt from income taxes under IRC section 501(c)(3))
4. Last three years' Forms 990 or 990-EZ, including all supporting schedules and attachments (also Form 990-T, if applicable)
5. Copies of the last three years' audit reports and management letters received from subrecipient's independent auditor (including all reports associated with audits performed in accordance with 2 CFR Part 200.500 – 521, if applicable)
6. Copy of the most recent internally-prepared financial statements and current budget
7. Copies of reports of government agencies (Inspector General, state or local government auditors, etc.) resulting from audits, examinations, or monitoring procedures performed in the last three years

Contracts with Subrecipients

All contracts with subrecipients must include the following provisions:

- **Salary and Bonus Limitations** Pursuant to P.L. 117-103, Division H, Title I, Section 105, award recipients and subrecipients shall not use funds to pay the salary and bonuses of an individual, either as direct costs or as indirect costs, at a rate in excess of Executive Level II. The Executive Level II salary may change yearly and is located on the OPM.gov website. See ETA's TEGL No. 5-06 for further guidance.
- **Terms and conditions concerning closeout of the subaward** CareerSource North Florida and all subrecipients shall liquidate all obligations incurred under the grant or contract within 90 days of the end of the grant or contract agreement. All reports must be submitted to CSNF and corresponding payment made within 45 days of the end of contract. Additionally, the subrecipient must promptly refund any balances of unobligated cash that CSNF may have paid in advance or paid and that are not authorized to be retained by the non-Federal entity for use in other projects. (OMB Circular A-129 and [§ 200.346](#)). CSNF will make a settlement for any upward or downward adjustments to the Federal share of costs after closeout reports are received, if necessary. The subrecipient must account for any real and personal property acquired with Federal funds or received from the Federal Government in accordance with [§§ 200.310](#) through [200.316](#) and [200.330](#).
- **Trafficking Victims Protection Act of 2000** The Sub-recipient will comply with the provisions in the Trafficking Victims Protection Act of 2000 (2 CFR 175) as amended.
- **Veterans Priority of Service Provisions** The Sub-recipient will comply with the Veterans Priority of Service Provisions, 20 CFR 1010, implementing priority of service in qualified job training programs for covered persons. ETA's TEGL No. 10-09 (issued November 10, 2009) provides guidance on implementing priority of service for veterans and eligible spouses in all qualified job training programs funded in whole or in part by DOL.
- **Equal Treatment for Faith-Based Organizations** The Sub-recipient will comply with the regulations identified in 29 CFR 2, Subpart D. Prohibits any State or local government receiving funds under any Department program, or any intermediate organization with the same duties as a governmental entity, from discriminating for or against an organization on the basis of the organization's religious character or affiliation.
- **Public Announcements and Advertising** Pursuant to P.L. 117-103, Division H, Title V, Section 505, when issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all non-Federal entities receiving Federal funds shall clearly state 1. The percentage of the total costs of the program or project which will be financed with Federal money; 2. The dollar amount of Federal funds for the project or program; and 3. The percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

- **2 CFR 200** The Sub-recipient will comply with 2 CFR 200 – Uniform Administrative Requirements, Cost Principles and Subpart F, Audit Requirements for Federal Awards.

Contract with Subrecipients must also include the following:

Title 2 – Subtitle A – Chapter II – Part 200 – Subpart D - § 200.332: Requirements for pass-through entities.	
(a) The following sub-award information is provided by CareerSource North Florida, the Pass-Through Entity, to XXXX, the Sub-Recipient. If/when any of these data elements changes, the change(s) will (also) be included in any subsequent sub-award modification(s).	
(1) Federal Award Identification.	
• Sub-Recipient name (which must match the name associated with its unique entity identifier)	
• Sub-Recipient’s unique entity identifier	
• Federal Award Identification Number (FAIN)	
• Federal Award Date	
• Sub-Award Period of Performance: start/end dates	
• Sub-Award Budget Period: start/end dates	
• Amount of Federal funds obligated by this action to the Sub-Recipient	
• Total amount of Federal funds obligated to the Sub-Recipient including the current obligation	
• Total amount of Federal Award committed to the Sub-Recipient	
• Federal award project description	
<ul style="list-style-type: none"> • Name of Federal awarding agency • Pass-through entity, and • Contact information for awarding official 	<u>Federal awarding agency:</u> For WIOA: U. S. Dept. of Labor through State of Florida, Dept. of Economic Opportunity For TANF: U. S. Dept. of Health and Human Services through State of Florida, Dept. of Economic Opportunity <u>Pass Through Entity:</u> CareerSource XXX <u>Contact information:</u> xxx xxxx@careesource.com XXX-XXX-XXXX
• Assistance Listing number and Title; dollar amount made available under each Federal Award and Assistance Listing	
• Is this sub-award for R&D?	
• Indirect cost rate for the Federal award (or de minimis rate)	

Monitoring of Subrecipients

When CareerSource North Florida utilizes federal funds to make subawards to subrecipients exceeding the simplified acquisition threshold, CareerSource North Florida is subject to a requirement to monitor each subrecipient in order to provide reasonable assurance that subrecipients are complying, in all material respects, with laws, regulations, and award provisions applicable to the program.

In fulfillment of its obligation to monitor subrecipients, the following policies apply to all subawards of federal funds made by CareerSource North Florida to subrecipients:

The following required information will be provided to all subrecipients within the contract:

1. Federal Award Identification.
 - a. Subrecipient name (which must match the name associated with its unique entity identifier);
 - b. Subrecipient's unique entity identifier;
 - c. Federal Award Identification Number (FAIN);
 - d. Federal Award Date;
 - e. Subaward Period of Performance Start and End Date;
 - f. Amount of federal funds obligated by this action;
 - g. Total Amount of federal funds obligated to the subrecipient;
 - h. Total Amount of the federal award;
 - i. Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
 - j. Name of federal awarding agency, pass-through entity, and contact information for awarding official;
 - k. Catalogue of Federal Domestic Assistance (CFDA) Number and Name. CareerSource North Florida must identify the dollar amount made available under each federal award and the CFDA number at time of disbursement;
 - l. Identification of whether the award is research and development (R & D); and
 - m. Indirect cost rate for the federal award (including if the de minimis rate is charged per 2 CFR Part 200.414 Indirect (F&A) costs).
2. All requirements are imposed by CareerSource North Florida on the subrecipient so that the federal award is used in accordance with federal statutes, regulations and the terms and conditions of the federal award.
3. Any additional requirements that CareerSource North Florida imposes on the subrecipient in order for CareerSource North Florida to meet its own responsibility to the federal awarding agency including identification of any required financial and performance reports.
4. An approved federally recognized indirect cost rate negotiated between the subrecipient and the federal government or, if no such rate exists, either a rate negotiated between CareerSource North Florida and the subrecipient (in compliance with this part), or a de minimis indirect cost rate as defined in 2 CFR Part 200.414(f), Indirect Costs.
5. A requirement that the subrecipient permit CareerSource North Florida and auditors to have access to the subrecipient's records and financial statements as necessary for CareerSource North Florida to meet the monitoring requirements of 2 CFR Part 200.

6. Appropriate terms and conditions concerning closeout of the subaward.
7. Subawards shall require that subrecipient employees responsible for program compliance obtain appropriate training in current grant administrative and program compliance requirements.
8. Subawards shall require that subrecipients submit financial and program reports to CareerSource North Florida on a basis no less frequently than quarterly.
9. CareerSource North Florida will follow up with all subrecipients to determine whether all required audits have been completed. CareerSource North Florida will cease all funding of subrecipients failing to meet the requirement to undergo an audit in accordance with 2 CFR Part 220.501. For subrecipients that properly obtain an audit in accordance with 2 CFR Part 200.501, CareerSource North Florida shall obtain and review the resulting audit reports for possible effects on CareerSource North Florida's accounting records or audit.
10. CareerSource North Florida shall assign a staff member the responsibility of monitoring each subrecipient on an ongoing basis during the period of performance. This employee will establish and document, based on her or his understanding of the requirements that have been delegated to the subrecipient, a system for the ongoing monitoring of the subrecipient.
11. Ongoing monitoring of subrecipients will vary from subrecipient to subrecipient based on the nature of work assigned to each. However, ongoing monitoring activities may involve any or all of the following:
 - a. Regular contacts with subrecipients and appropriate inquiries regarding the program.
 - b. Reviewing programmatic and financial reports prepared and submitted by the subrecipient and following up on areas of concern.
 - c. Monitoring subrecipient budgets.
 - d. Performing site visits to the subrecipient to review financial and programmatic records and assess compliance with applicable laws, regulations, and provisions of the subaward.
 - e. Offering subrecipients technical assistance where needed.
 - f. Maintaining a system to track and follow up on deficiencies noted at the subrecipient in order to ensure that appropriate corrective action is taken.
 - g. Establishing and maintaining a tracking system to ensure timely submission of all reports required of the subrecipient.
12. Documentation shall be maintained in support of all efforts associated with monitoring of subrecipients.
13. In connection with any subrecipient that has been found to be out of compliance with provisions of its subaward with CareerSource North Florida, responsive actions by CSNF shall be determined by the Executive Director. Such actions may consist of any of the following actions:
 - a. Increasing the level of supporting documentation that the subrecipient is required to submit to CareerSource North Florida on a monthly or periodic basis.

- b. Requiring that subrecipient prepare a formal corrective action plan for submission to CareerSource North Florida.
- c. Requiring that certain employees of the subrecipient undergo training in areas identified as needing improvement.
- d. Requiring documentation of changes made to policies or forms used in administering the subaward.
- e. Arranging for on-site (at the subrecipient's office) oversight on a periodic basis by a member of the CareerSource North Florida accounting or grant administration staff.
- f. Providing copies of pertinent laws, regulations, federal agency guidelines, or other documents that may help the subrecipient.
- g. Arranging with an outside party (such as CareerSource North Florida's own independent auditors) for periodic on-site monitoring visits.
- h. Reimbursing after-the-fact, and not provide advances.
- i. Requiring review and approval for each disbursement and all out-of-area travel.
- j. As a last resort, terminating the subaward relationship and seeking an alternative.

POLITICAL INTERVENTION

Prohibited Expenditures

Consistent with its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code, CareerSource North Florida shall not incur any expenditure for political intervention. For purposes of this policy, political intervention shall be defined as any activity associated with the direct or indirect support or opposition of a candidate for elective public office at the federal, state, or local level. Examples of prohibited political expenditures include, but are not limited to, the following:

1. Contributions to political action committees
2. Contributions to the campaigns of individual candidates for public office
3. Contributions to political parties
4. Expenditures to produce printed materials (including materials in periodicals) that support or oppose candidates for public office
5. Expenditures for the placement of political advertisements in periodicals

Endorsements of Candidates

CareerSource North Florida will not endorse any candidates for public office in any manner, or otherwise make statements that support or oppose a candidate or a political party, either verbally or in writing. This policy extends to the actions of management, the Board of Directors, volunteers, and other representatives or agents of CareerSource North Florida, when these individuals are acting on behalf of, or are otherwise representing, CSNF. For more information, refer to the Federal Hatch Act.

Individual vs. Organization Activities

The preceding policies prohibiting acts of political intervention apply to CSNF and to individuals acting on behalf of CSNF. They do not apply to the personal lives of employees and volunteers of CSNF, who have the right to support or oppose political candidates and parties as individuals. Employees and volunteers of CareerSource North Florida who engage in political activities outside the scope of their employment with or service to CSNF shall at all times be mindful of maintaining a clear distinction between personal activities and those which can be attributed to CSNF.

Prohibited Use of Organization Assets and Resources

No assets or personnel of CSNF shall be utilized for political activities, as defined above. This prohibition extends to the use of Organization assets or personnel in support of political activities that are engaged in personally by Board members, members of management, employees, or any other representatives of CareerSource North Florida. While there is no prohibition against these individuals engaging in political activities personally (on their own time, and without representing CSNF), these individuals must at all times be aware that Organization resources (including computers and email systems) cannot at any time be utilized in support of political activities.

LOBBYING

Introduction

Unlike political intervention, described in the preceding section, expenditures by a section 501(c)(3) public charity for lobbying activities are allowable under the Internal Revenue Code. However, **no** lobbying expenditures may be charged directly or indirectly to any federal award (i.e., CSNF must have a nonfederal source of funds to which such lobbying costs can be charged).

Definition of Lobbying Activities

Lobbying activities conducted by CSNF may be either direct or indirect. Direct lobbying activities consist of attempts to influence legislation through communication with any member or employee of a legislative body (federal, state, or local levels) or, if the principal purpose of the communication is lobbying, with any government official or employee who may participate in the formulation of the legislation. Direct lobbying occurs when employees of CSNF or paid lobbyists communicate directly in attempts to influence legislation. Lobbying is distinguishable from advocacy activities, which involve efforts to advocate certain positions which may have legislative implications, as long as a nonpartisan analysis of the relevant facts is performed.

Lobbying occurs only when there is a specific piece of legislation or legislative proposal pending that CSNF is attempting to influence. Therefore, lobbying is considered to have taken place only if both of the following elements are present:

1. The communication refers to specific legislation (legislation that has been introduced or a specific legislative proposal that CSNF supports or opposes), and
2. The communication reflects a view on the legislation (supporting or opposing it).

Indirect lobbying involves communications with the general public (rather than directly with legislators, etc.) where the communication includes the same two preceding characteristics, plus it encourages the recipient of the communication to take action with respect to the specific legislation (by contacting legislators, etc.).

Segregation of Lobbying Expenditures

Lobbying expenditures are allowable for charities under the Internal Revenue Code. However, lobbying may not represent a substantial portion of CSNF's overall activities. CSNF's tax exemption would be at risk if lobbying becomes a substantial portion of CSNF's activities.

Accordingly, CareerSource North Florida segregates all direct and indirect lobbying expenditures in a separate section of the chart of accounts in the general ledger. Where appropriate, lobbying expenditures shall also be allocated their fair and reasonable share of employee benefits and other allocated costs in accordance with cost allocation policies described elsewhere in this manual.

Lobbying Election

As a public charity, CSNF has two options with respect to the Internal Revenue Code's restriction against lobbying being a "substantial" portion of its activities. One option is to make a formal lobbying election, which results in CSNF following a specific mathematical formula to determine its lobbying limitations. Exceeding the limitation would result in an excise tax assessed to CSNF. Exceeding the limitation by 50 percent or more over a four-year period would result in loss of CSNF's overall tax exemption. The other option is to not make the election, resulting in an entirely judgmental assessment of its lobbying activities by the IRS. If it is deemed by the IRS to have engaged in substantial lobbying for any period, CSNF would lose its overall tax exemption under this option.

If CareerSource North Florida incurs lobbying expense, it will make the Internal Revenue Code section 501(h) lobbying election by filing Form 5768 and will leave that election in place. As a result, CSNF shall report its lobbying expenditures by completing the section for "Electing Charities" on Schedule A that accompanies its annual Form 990 information return filed with IRS.

Therefore, CSNF will not provide lobbying directly. All lobbying will be conducted via organizational memberships (NAWB, FWDA, SHRM, etc.). CSNF will determine/request the percent of dues which go towards lobbying and at least allocate these costs to non-federal, unrestricted funds.

CSNF takes seriously its responsibility to educate and provide accurate information, as well as develop and issue success stories regarding those who have used services. However, when at all possible, CSNF staff (only) should not engage in further lobbying efforts directly.

CHARGING COSTS TO FEDERAL AWARDS

Overview

CareerSource North Florida charges costs that are reasonable, allowable, and allocable to a federal award directly or indirectly as set forth in the Cost Allocation Plan (CAP). All unallowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to federal awards.

Segregating Unallowable from Allowable Costs

The following steps shall be taken to identify and segregate costs that are allowable and unallowable with respect to each federal award:

1. The budget and grant or contract for each award shall be reviewed for costs specifically allowable or unallowable.
2. Grant managers and finance personnel shall be familiar with the allowability of costs provisions (2 CFR Part 200, Subpart E - Cost Principles), particularly:
 - a. The list of specifically unallowable costs found in 2 CFR Part 200.421 – 475, Selected Items of Cost, such as alcoholic beverages, bad debts, contributions, fines and penalties, etc.
 - b. Those costs requiring advance approval from federal agencies in order to be allowable in accordance with 2 CFR Part 200.407, Prior Written Approval, such as participant support costs, equipment purchases, etc.
3. No costs shall be charged directly to any federal award until the cost has been determined to be allowable under the terms of the award and/or 2 CFR Part 200.400 – 475, Cost Principles.
4. For each federal award, an appropriate set of general ledger accounts (or account segments) shall be established in the chart of accounts to reflect the categories of allowable costs identified in the award or the award budget.
5. All items of miscellaneous income or credits, including the subsequent write-offs of uncashed checks, rebates, refunds, and similar items, shall be reflected for grant accounting purposes as reductions in allowable expenditures if the credit relates to charges that were originally charged to a federal award or to activity associated with a federal award. The reduction in expenditures shall be reflected in the year in which the credit is received (i.e., if the purchase that results in the credit took place in a prior period, the prior period shall not be amended for the credit).

Criteria for Allowability

All costs must meet the following criteria from 2 CFR Part 200.402 – 406, Basic Considerations, in order to be treated as allowable direct or indirect costs under a federal award:

1. The cost must be “reasonable” for the performance of the award, considering the following factors:
 - a. Whether the cost is of a type that is generally considered as being necessary for the operation of CSNF or the performance of the award.
 - b. Restraints imposed by such factors as generally accepted sound business practices, arm’s length bargaining, federal and state laws and regulations, and the terms and conditions of the award.
 - c. Whether the individuals concerned acted with prudence in the circumstances.
 - d. Consistency with established policies and procedures of CSNF, deviations from which could unjustifiably increase the costs of the award.
2. The cost must be “allocable” to an award by meeting one of the following criteria:
 - a. The cost is incurred specifically for a federal award,
 - b. The cost benefits both the federal award and other work and can be distributed in reasonable proportion to the benefits received, or
 - c. The cost is necessary to the overall operation of CSNF, except where a direct relationship to any particular program or group of programs cannot be demonstrated.
3. The cost must conform to any limitations or exclusions of 2 CFR Part 200 Subpart E, Cost Principles, or the federal award itself.
4. Treatment of costs must be consistent with policies and procedures that apply to both federally financed activities and other activities of CSNF.
5. Costs must be consistently treated over time.
6. The cost must be determined in accordance with generally accepted accounting principles (GAAP) and governmental accounting standards board (GASB).
7. Costs may not be included as a cost of any other federally financed program in the current or prior periods.
8. The cost must be adequately documented.

Direct Costs

Any cost that can be identified to a specific cost center will be directly charged to that center when the cost is incurred. Costs that benefit more than one cost center and can be allocated to the cost centers based on a reasonable allocation methodology will be directly charged to the benefiting cost centers.

Directly Allocated Costs are those costs that benefit more than one program, award, or activity and can be proportionately assigned to each such program, award or activity based on the methodologies that reflect the relative benefits received without effort disproportionate to the results achieved. These methodologies are calculated on data from sources outside of the system for recording time and effort to work activities. These costs may be allocated based on client information obtained from CareerSource North Florida’s various reporting system, or by other applicable statistics. Generally,

these costs are initially captured in an interim cost center from which they are subsequently distributed to final direct and/or cost centers.

Indirect Costs

Indirect costs are those costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective or that are necessary for the overall operation of CareerSource North Florida (management and general costs).

After direct costs have been determined and assigned directly to awards or other work as appropriate, indirect costs are those remaining to be allocated to benefitting cost objectives. A cost may not be allocated to a federal award as an indirect cost if any other cost that was incurred for the same purpose, in like circumstances, has been assigned to a federal award as a direct cost.

CareerSource North Florida maintains an annual indirect cost budget. Each year a new indirect cost budget is prepared and submitted to the Department of Economic Opportunity or CareerSource North Florida's Federal cognizant agency for approval.

Examples of CareerSource North Florida's indirect costs are:

- 100% of the Executive Director's salary is charged to Indirect. However, due to the small size of CSNF, the Executive Director may charge a portion of hours worked to programmatic (direct) when allowable and necessary.

CareerSource North Florida will allocate indirect costs using its negotiated indirect cost rate.

Mixed Charges

Some employees charge their salary costs to both direct and indirect activities if and when necessary and appropriate:

1. Executive Director
2. Deputy Director
3. Executive/Marketing Assistant

The distinction between direct and indirect is primarily based on functions performed. For example, when the positions shown are performing functions that are necessary and beneficial to all programs they are indirect. When functions are specific to one or more programs they are direct because they do not benefit all programs.

Direct Costing Procedures

Direct costs are allocated to the benefitting programs using cost pools under the following policies and procedures:

1. As much as possible, costs will first be charged directly to benefitting programs.
2. All remaining shared costs will be allocated on the most meaningful measures. The following bases are provided as examples:

- a. Facilities and related costs will be allocated based on square footage occupied.
 - b. Accounting and financial-related costs will be allocated based on number of transactions.
 - c. Human Resources department will be allocated based on number of employees
3. Program-related costs will be allocated based on relevant activity measures, such as number of clients.

Unrestricted Funds

Unrestricted Funds are acquired through various activities of the Board or by donations of users and others. Florida Ready to Work, Ticket to Work, Tobacco Free Florida are all current sources of unrestricted cash for CSNF, however from time-to-time, there are other deposits into this fund. This fund is used by CSNF to make purchases outside the what is typical, accepted, and appropriate expenditures of the Federal allocations. This may include organizational dues who may have lobbying functions, food purchase besides those for program participants, and other expenditures outside the normal and ordinary operations of the mission of the Board.

Cost Allocation Plan Policy

CareerSource North Florida prepares and maintains a Cost Allocation Plan to document its method and processes to fairly and equitably allocate direct and shared costs to the programs and activities benefitting from the cost. This plan is reviewed annually, at a minimum, and updated as necessary.

ACCOUNTS PAYABLE MANAGEMENT

Overview

CareerSource North Florida strives to maintain efficient business practices and good cost control. A well-managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and bank account reconciliation. The following are general policies for accounts payable:

- Assets or expenses and the related liability are recorded by an individual who is not responsible for ordering and receiving.
- The amounts recorded are based on the contractor invoice for the related goods or services.
- The contractor invoice should be supported by an approved purchase order where required by Organization policy and should be reviewed and approved by the Executive Director prior to being processed for payment.
- Invoices and related general ledger account distribution codes are reviewed prior to posting to the subsidiary system.

The primary objective for accounts payable and cash disbursements is to ensure that:

- Disbursements are properly authorized.
- Invoices are processed in a timely manner.
- Contractor/vendor credit terms and operating cash are managed for maximum benefits.

Recording of Accounts Payable

- All valid accounts payable transactions, properly supported with the required documentation, shall be recorded as accounts payable in a timely manner.
- Accounts payable are processed on a bi-weekly basis. Information is saved in the appropriate electronic finance folder with the approved naming convention (yyyymmdd Contractor/Vendor Name).
- Only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the contractor records.

Preparation of a Voucher Package

Prior to any accounts payable being submitted for payment, a package called a “voucher package” shall be assembled and sent to the Bookkeeper CLM for processing. Each voucher package shall contain the following documents:

1. Contractor/vendor invoice (or employee expense report)
2. Purchase order as required by procurement policies
3. Any other supporting documentation deemed appropriate

Processing of Voucher Packages

The following procedures shall be applied to each voucher package by the Administrative Coordinator:

1. Check the mathematical accuracy of the contractor invoice.
2. Compare the nature, quantity, and prices of all items ordered per the contractor invoice to the purchase order, packing slip, and receiving report.
3. Document the general ledger distribution, using CSNF's current chart of accounts.
4. Obtain the review and approval of the Executive Director for coding prior to sending the package to the Bookkeeper CLM.

Upon receipt, each invoice shall be scanned and filed in the appropriate financial folder with the payable date. Unapproved invoices will be maintained in a file, matched with notice of approval, and processed for payment. The Administrative Coordinator will follow up on unapproved invoices pending for longer than one month.

Approvals by Directors indicate their acknowledgment of satisfactory receipt of the goods or services invoiced, agreement with all terms appearing on the contractor/vendor invoice, agreement with general ledger account coding, and agreement to pay contractor in full. Approvals shall be documented with initials or signatures of the approving individual, and date of approval.

Payment Discounts

To the extent practical, CareerSource North Florida takes advantage of all prompt payment discounts offered by contractor/vendor. When such discounts are available and all required documentation in support of payment is available, payments will be scheduled so as to take full advantage of the discounts.

Employee Expense Reports

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form. (See further policies under the TRAVEL section of this manual.) All required receipts must be attached, and a brief description of the business purpose of the trip or meeting must be noted on the form. Expense reports will be processed for payment in the next accounts payment cycle if received by the deadline. Expenses older than two months will not be reimbursed, unless prior arrangements have been approved.

The Administrative Coordinator and staff supervisors will check expense reports against timesheets, calendars, and service records to ensure agreement of dates and activities.

Reconciliation of A/P Subsidiary Ledger to General Ledger

At the end of each monthly accounting period, the total amount due to contractors/vendors per the accounts payable subsidiary ledger shall be reconciled to the total per the accounts payable general ledger account (control account). All differences will be investigated, and adjustments made as

necessary. The reconciliation and the results of the investigation of differences must be reviewed and approved by the Director of Finance CLM.

Also, on a monthly basis, the Administrative Coordinator shall perform the following procedures:

1. Check all statements received for unprocessed invoices.
2. Check the purchase order file for open purchase orders more than 30 days old and follow up.

TRAVEL

Travel Advances

All overnight travel must be preceded by an authorization to travel approved by a Director. More information regarding travel can be found on the reimbursement request authorization form completed by staff after travel.

Funds will be advanced for upcoming travel only upon receipt of a completed and properly approved request for travel advance. Travel advances are generally limited to per diems unless there is an extraordinary need for additional funds and must be requested at least two weeks prior to travel. Travel advances are to be used only for the purpose intended. Travel expenses are to be made in accordance with CSNF's travel policies as explained in this section.

Employees receiving travel advances are required to sign for the advance signifying their acknowledgment of, and agreement with, these policies. Employees receiving travel advances must submit an expense report within 5 business days of returning from travel. Any outstanding advances more than 15 days old will be deducted from an employee's next travel submittal.

Employee and Director Business Travel

Prior to any out-of-region, overnight travel, the employee or member of the Board of Directors (or the Administrative Coordinator, on behalf of the employee or member of the Board of Directors) should complete a Travel Justification for each individual traveling, and detail estimated cost of travel, including hotel stay, mileage or airfare, per diem for the duration of the trip based on estimated leave and return times. This report should be submitted to the Executive Director for approval. Once approved, the Justification is filed in finance drive, in the folder for the month which the travel is paid.

At the conclusion of a CareerSource North Florida business trip, the employee or member of the Board of Directors who has incurred business-related expenses should complete a travel reimbursement form in accordance with the following policies. Typically, lodging, airfare, and conference fees are paid by CSNF, prior to travel, and are not reimbursed for employees. Employees may request reimbursement for per diem (based on a per-meal basis) and mileage, as well as any other business-related expenses, including tolls, parking fees (not otherwise covered by pre-paid lodging), cab fare (in the course of business), etc. Board Members are often expected to cover the cost of their own airfare and may submit a request for reimbursement with the proper receipts upon return.

1. Documentation must justify that participation of the traveler is necessary for the federal award and costs are reasonable and consistent with CareerSource North Florida's travel policy. (2 *CFR Part 200.474(b)(1) and (2)*)
2. Identify each separately incurred business expense (i.e., do not group all expenses associated with one trip together).
3. With the exception of reimbursed mileage, and per diems, all business expenses must be supported with invoices/receipts.

4. CareerSource North Florida will reimburse employees at per diem rates established by the State of Florida. Therefore, meal receipts are not required.
 - a. If the conference or meeting which the traveler attends provides a meal, the per diem associated with that meal will be deducted from that day's reimbursement amount.
5. For airfare, airline-issued receipts must be obtained. If a traveler fails to obtain a receipt, other evidence must be submitted indicating that a trip was taken and the amount paid (for example, a combination of an itinerary, certificate of attendance, a credit card receipt, and return trip boarding pass(es)). CSNF authorizes reimbursement for expenses for one bag, and receipts must be provided.
6. Mileage may be reimbursed at the state rates in effect at time of travel.
7. General ledger account coding must be identified for all expenditures.
8. All expense reports must be signed and dated by the employee.
9. All expense reports must be approved by the employee's Director.
10. Only one expense report form should be prepared for each trip and when possible, per month.

An employee will not be reimbursed for expense reports not meeting the preceding criteria. If the expense report results in a balance due to CareerSource North Florida (as a result of receiving a travel advance greater than actual business expenditures), the employee must attach a check or sign a statement indicating authorization to settle the balance due through a payroll deduction. If the expense report results in a balance due to the employee, the employee will be reimbursed through the next travel processing date.

Reasonableness of Travel Costs

CareerSource North Florida shall reimburse travelers only for those business-related costs that are reasonably incurred. Accordingly, the following guidelines shall apply:

1. Payment for suites and other upgraded rooms at hotels shall not be allowed, unless required by a documented medical condition. Travelers should stay in standard rooms when at all possible.
2. Ask hotels for any available discounts – nonprofit, government, or corporate rates.
3. When utilizing rental cars, travelers should rent midsize or smaller vehicles, unless safety considerations or number of passengers require a larger vehicle. Rental of a vehicle larger than midsize must be approved by a supervisor. Share rental cars whenever possible.
4. If required by the funding source, foreign travel charged to federal grants must be approved in writing by the Department of Economic Opportunity prior to travel.

Special Rules Pertaining to Air Travel

The following additional rules apply to air travel:

1. Air travel should be at coach class or the lowest commercial discount fare at the time the ticket is purchased except when this fare would:
 - a. Require circuitous routing,
 - b. Require travel during unreasonable hours,
 - c. Excessively prolong travel,
 - d. Result in additional costs that would offset the transportation savings, or
 - e. Offer accommodations not reasonably adequate for the traveler's documented medical needs.
2. First class air travel shall not be reimbursed unless there is a medical reason which must be documented and approved by a supervisor.
3. Memberships in airline flight clubs are not reimbursable.
4. Cost of flight insurance is not reimbursable.
5. Cost of upgrade certificates is not reimbursable.
6. The cost of baggage fees required by airlines to either check or carry-on luggage is allowable and reimbursable for a maximum of one check bag.
7. Cost of canceling and rebooking flights is not reimbursable, unless it can be documented that it was necessary or required for legitimate business reasons (such as changed meeting dates, etc.).
8. Travelers must identify and pay for all personal flights, even if such flights are incorporated into a flight schedule that serves business purposes (i.e., CareerSource North Florida will not reimburse for the personal legs of a trip).
9. Frequent flyer miles will accrue to the traveler, not CSNF.

Companion Travel

CareerSource North Florida does not reimburse any employee or Board member for separate travel costs (air fare, etc.) associated with a spouse, partner, or other companion. The cost of a shared hotel room need not be allocated between employee/director and spouse/partner/companion for purposes of this policy.

CELL PHONES

Issuance of Organization-Owned Cell Phones

CareerSource North Florida recognizes that certain job functions require that an employee be accessible when away from the office or during times outside scheduled working hours. For this reason, CareerSource North Florida will provide cell phones to select employees as a work tool for efficiency. Supervisors of employees who travel frequently on CSNF business may request a corporate cell phone for those employees. CareerSource North Florida will include language in employment contracts, job descriptions, and personnel manuals documenting the business reasons for providing employees with cell phones.

Corporate cell phone holders will be required to sign a statement acknowledging that the cell phone shall be used for legitimate CSNF-related business purposes and shall not be used while driving. The cell phone holder also agrees to take reasonable precautions to protect the cell phone from loss or theft by storing it in a secure location. Upon approval, a cell phone will be issued bearing the names of both the individual and CareerSource North Florida.

While corporate-issued cell phones are intended for CSNF-related business use, CareerSource North Florida recognizes that occasional personal use may occur. CareerSource North Florida employees should make every effort to keep personal use of CSNF-owned cell phones to a minimum (less than 3 minutes per day).

Cell Phone Use

Employees of CareerSource North Florida are prohibited from using a corporate-owned cell phone or similar device, hands-on or hands-free, while driving. This prohibition includes receiving or placing calls, text messaging, accessing the Internet, receiving or responding to email, checking for or listening to voice messages, or any other uses.

Similarly, employees of CareerSource North Florida are prohibited from using their personal cell phone or similar device for any purpose, hands-on or hands-free, while driving either an Organization vehicle or a personal vehicle while on CSNF business.

Cell phones for hourly employees should be turned on at 8 am and off at 5 pm. Hourly employees should not answer their corporate issued cell phone during their 1 hour lunch break.

Cell Phone Plans

The Fiscal Department will negotiate a master cell phone contract with a single contractor. All corporate-owned cell phones are to be acquired through the preapproved contractor.

Cell phone plan terms will initially be set based on the employee's anticipated needs.

The employee's supervisor will monitor usage and recommend adjustments to terms as needed to ensure that the employee is on the most efficient plan based on his or her needs. Initial cell phone plan terms and any subsequent changes in terms will be approved in advance by the Executive Director

Cell phone holders shall report the loss or theft of a corporate cell phone immediately by notifying the Executive Director or Administrative Coordinator.

Revocation of Corporate Cell Phones

Failure to comply with any of these policies associated with the use of CareerSource North Florida's corporate cell phones shall be subject to possible revocation of corporate cell phone privileges. The Executive Director, shall determine whether cell phones are to be revoked.

Personal Cell Phones or Similar Devices at Work

Employees of CareerSource North Florida are asked to minimize the use of personal cell phones in the workplace. In an emergency situation, employees may carry their personal cell phones in vibrate mode.

CASH DISBURSEMENTS (CHECK-WRITING) POLICIES

Check Preparation

CareerSource North Florida prints contractor/vendor checks, expense reimbursement checks, and participant checks on a bi-weekly basis, and on the first working day of the month (for insurance payments) in conjunction with the schedule of CareerSource Citrus Levy Marion. Checks shall be prepared by persons independent of those who initiate or approve expenditures, as well as those who are authorized check signers.

All contractor/vendor, expense reimbursement, and participant checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with purchasing, accounts payable, program, and travel policies described in this manual.
2. Timing of disbursements should generally be made to take advantage of all early-payment discounts.
3. Generally, all contractors/vendors shall be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services.
4. Total cash requirements associated with each check run are monitored in conjunction with available cash balance in bank prior to the release of any checks.
5. All supporting documentation is saved in a protected folder, accessible by the check signer to review prior to signing checks.
6. Checks shall be utilized in numerical order and unused checks are stored in a locked safe in the office of the Administrative Coordinator.
7. Checks shall never be made payable to "bearer" or "cash."
8. Checks shall never be signed prior to being prepared.
9. Upon the preparation of a check, contractor/vendor invoices and other supporting documentation shall immediately be filed in order to prevent subsequent reuse.

Check Signing

Checks of less than \$5,000 require a single signature. Checks of \$5,000 or more require two signatures – one signature may be the Executive Director or Deputy Director, while the second signature must be an authorized Board Member. No check shall be signed prior to the check being completed in its entirety (no signing of blank checks).

Checks shall be signed by an individual other than the one who approved the transaction for payment.

Check signers should examine all original supporting documentation to ensure that each item has been properly reviewed prior to signing a check. Checks should not be signed if supporting documentation appears to be missing or there are any questions about a disbursement.

Use of Positive Pay System

CareerSource North Florida utilizes a “Positive Pay” system with its financial institution for all checks drawn on the operating account. With this system, the Administrative Coordinator electronically communicates to the financial institution a list of check numbers, amounts, and payees in connection with each check run. The financial institution shall then notify the Executive Director and the Administrative Coordinator if any check is presented for payment that does not match the three characteristics for valid checks.

The Executive Director or Administrative Coordinator shall be the only persons authorized to communicate approvals of checks to the bank that have been flagged by the bank’s positive pay system.

Mailing of Checks

After signature, checks are returned to the Administrative Coordinator. The Administrative Coordinator attaches the appropriate documents and mails checks immediately. Checks shall not be mailed by or returned to the individuals or departments that authorized the expenditures except for travel reimbursements (distributed to staff) or when staff or participants must accompany the check to the vendor.

Voided Checks and Stop Payments

Checks may be voided due to processing errors by making proper notations in the check register and defacing the check by clearly marking it as “VOID.” All voided checks shall be retained to aid in preparation of bank reconciliations.

Stop payment orders may be made for checks lost in the mail or other valid reasons. Stop payments are processed by telephone instruction and written authorization to the bank by finance personnel with this authority. A journal entry is made to record the stop payment and any related bank fees. Stop payments should be avoided, if possible, and checks may not be reissued without the approval of the Executive Director. A stop payment should not be placed on any check under the amount of \$50, except in extreme circumstances, and approved by the Executive Director.

Recordkeeping Associated with Independent Contractors

CareerSource North Florida shall obtain a completed Form W-9 or equivalent substitute documentation from all contractors/vendors to whom payments are made (see “Accounts Payable Management” policies). A record shall be maintained of all contractors to whom a Form 1099 is required to be issued at year-end. Payments to such contractors shall be accumulated over the course of a calendar year.

Control Grid – Purchasing and Disbursements

CareerSource North Florida strives to maintain adequate segregation of duties in its purchasing and disbursements functions. The following table illustrates assignment of responsibilities. In this table personnel are identified as follows:

- A. Executive Director
- B. Deputy Director
- C. Accountant, CLM
- D. Bookkeeper, CLM
- E. Administrative Coordinator
- F. Board

Duty	A	B	C	D	E	F
Inputs data into contractor master file				X		
Obtains Form W-9 from new contractors					X	
Initiates purchases	X	X			X	
Authorizes purchases	X					
Prepares purchase order/requisition					X	
Prepares request for proposal	X				X	
Administers collection of proposals					X	
Evaluates proposals	X	X				X
Selects contractor	X					X
Receives contractor invoice					X	
Approves contractor invoice	X				X	
Assigns general ledger coding	X				X	
Inputs invoice into A/P system				X		
Selects A/P to be paid					X	
Runs A/P checks					X	
Reviews checks	X	X			X	
Signs checks	X	X				
Mails checks					X	
Maintains custody of unused checks					X	
Reconciles A/P to general ledger				X		
Performs bank reconciliation			X			
Reviews cancelled checks	X		X		X	
Reviews bank reconciliations	X		X	X		

CREDIT CARDS/PURCHASING CARDS

Issuance of Corporate Credit Cards or Purchasing Cards

CareerSource North Florida recognizes that there are times when employees need to use a corporate credit card for travel or other Organization-approved purposes. Therefore, CSNF has 3 credit cards available for use. The cards are in the possession of the Executive Director, Deputy Director, and Administrative Coordinator, and are used as needed to make purchases.

Sales Tax

Card users should remind contractors/vendors at the time of purchase that according to the tax laws in Florida, CareerSource North Florida is exempt from sales tax. Cardholders should keep a copy of CareerSource North Florida's sales tax exemption form with them to present to the contractor/vendor at the time of purchase. If a cardholder is charged sales tax for a card purchase that should be tax exempt, the cardholder should contact the contractor/vendor directly to request a credit for the amount of the sales tax.

Card User Responsibilities

Upon issuance, card users will be required to sign a statement acknowledging the following:

- The card shall be used exclusively for legitimate CSNF-related business purposes
- The cardholder will avoid splitting purchase or service costs over multiple transactions to circumvent the single transaction limit
- The cardholder agrees to take reasonable precautions to protect the card from loss or theft by storing it in a secure location, and understands the actions to take in case of theft or loss
- The cardholder will follow all required procurement policies and procedures
- The cardholder understands and agrees to disciplinary procedures for misuse of the card

Card users will turn in receipts with to Administrative Coordinator when they use the credit card. When possible, card users should note the program responsible for the funding of the purchase, in the event of participant purchases, on the receipt. The Administrative Coordinator will maintain the receipts and reconcile the monthly statement when preparing for payment. If the Administrative Coordinator is missing a receipt when the monthly statement is reconciled, the Administrative Coordinator will consult the statement and Executive Director and/or Deputy Director to determine how the card was used and follow up with that employee to get the receipt.

Any fraudulent or other unauthorized charges shall be immediately pointed out to the Executive Director and Administrative Coordinator for further investigation with the card provider.

Personal use of corporate credit cards is strictly prohibited. Any personal use will subject the employee to CSNF's disciplinary actions discussed earlier in this manual and in the Personnel Manual, up to and including termination.

Cardholders shall report the loss, fraud, or theft of a corporate credit card immediately by notifying the credit card company (telephone number _____, 24 hours a day, seven days a week) as well as the Executive Director and/or the Administrative Coordinator.

Revocation of Corporate Credit Cards

Failure to comply with any of these policies associated with the use of CareerSource North Florida's corporate credit cards or purchasing cards shall be subject to possible revocation of card privileges. The Executive Director, shall determine whether credit cards are to be revoked.

PAYROLL AND RELATED POLICIES

Classification of Workers as Independent Contractors or Employees

CareerSource North Florida considers all relevant facts and circumstances regarding the relationship between CSNF and the individual in making determinations about the classification of workers as independent contractors or employees. This determination is based on the degree of control and independence associated with the relationship between CareerSource North Florida and the individual. Facts that provide evidence of the degree of control and independence fall into three categories:

1. Behavioral control (schedule)
2. Financial control
3. The type of relationship of the parties (basis of payment)

The agreement between CareerSource North Florida and CareerSource CLM designates CareerSource CLM as the Human Resources administrator.

Wage Comparability Study

CareerSource North Florida will perform wage comparability studies every three years to ensure the salary and wage structure is like other organizations of like size and employee base in the area.

Review and Approval of Senior Management Compensation

In connection with the salaries and benefits of senior management (to include the Executive Director), a triennial study shall involve a salary and benefits survey conducted by an independent organization. The analysis of senior management salaries and benefits shall be conducted under the direction of the Executive Committee of the Board of Directors. If an appropriate survey cannot be located, the Executive Committee shall consider utilizing a salary and benefits consulting specialist firm or conducting its own customized comparison with similar organizations.

Although the formal comparison with external data shall be performed once every three years, the Executive Committee shall document its consideration and authorization of the salaries and benefits of senior management on an annual basis, prior to the beginning of each fiscal year.

Payroll Administration

CareerSource Citrus Levy Marion is the employer of record for all CareerSource North Florida employees, and operates on a biweekly payroll. A personnel file is established and maintained for all employees by CSNF and shared with CSCLM, with current documentation, as described throughout this section and more fully described in CareerSource North Florida's Employee Handbook.

The following forms, documents, and information shall be obtained and included in the personnel files of all new employees:

1. Consent for Background/Credit Check
2. Results of Background/Credit Check
3. CareerSource North Florida Employment Application (and resume, if applicable)
4. Applicant references (work and personal)
5. Form W-4 Employee Federal Withholding Certificate
6. Form I-9 Employment Eligibility Verification
7. Copy of driver's license
8. Copy of Social Security card issued by the Social Security Administration
9. Starting date and scheduled hours, along with job title and starting salary, included in the official offer letter
10. Authorization for direct deposit of paycheck, along with a voided check or deposit slip
11. Signed Job description
12. Complete and signed Employee Action Form
13. DD214 (if applicable)
14. Transcripts or diplomas, if provided

For employees without a current, valid driver's license or Social Security card, acceptable alternative documents include the unexpired acceptable documents allowable by the U.S. Citizenship and Immigration Services as listed on the Form I-9 in effect at the date of hire (<https://www.uscis.gov/i-9>).

Each Employee Action Form indicates whether the employee is exempt or non-exempt from the provisions of the Fair Labor Standards Act. At CSNF, only the Executive Director, Deputy Director, and Operations Director classify as Exempt.

Changes in Payroll Data

All of the following changes in payroll data must be authorized in writing:

1. New hires
2. Terminations
3. Changes in salaries and pay rates
4. Voluntary payroll deductions
5. Changes in income tax withholding status
6. Court-ordered payroll deductions
7. Changes in hours or supervisor

New hires, terminations, and changes in salaries or pay rates shall be authorized in writing by the Executive Director.

Voluntary payroll deductions and changes in income tax withholding status shall be authorized in writing by the individual employee and provided to the Administrative Coordinator for forwarding to CSCLM.

Documentation of all changes in payroll data shall be maintained in each employee's personnel file.

Payroll Taxes

CareerSource Citrus Levy Marion is responsible for ensuring all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. CSCLM may utilize the services of an outside payroll service center for the processing of payroll, as determined by the Director of Finance CLM.

CareerSource North Florida will request an updated Form W-4 from each employee in January of each year. If there are no changes from the prior year, employees are not required to provide a new W-4. Withholding of federal income taxes shall be based on the most current Form W-4 prepared by each employee.

Standards of Documentation for Personnel Expenses

CareerSource North Florida follows the requirements in 2 CFR Part 200.430(i), Standards for Documentation of Personnel Expenses, as well as requirements in specific grants.

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

1. Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
2. Be incorporated into the official records of CSNF;
3. Reasonably reflect the total activity for which the employee is compensated;
4. Encompass both federally assisted and any/all other activities compensated by CSNF on an integrated basis;
5. Comply with the established accounting and financial policies and practices of Organization; and
6. Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one federal award; a federal award and non-federal award; an indirect cost activity and a direct cost activity; two or more indirect cost activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

Preparation of Timesheets

Each CareerSource North Florida employee must submit to ADP (the payroll processing service) a completed timesheet as required by supervisory staff. Timesheets shall be prepared in accordance with the following guidelines:

1. Each timesheet shall reflect all hours worked during the pay period (time actually spent on the job performing assigned duties).
2. Employees shall identify and record hours worked based on the nature of the work performed.
3. Compensated absences (vacation, holiday, sick leave, etc.) should be clearly identified as such.

After preparation, Supervisors shall approve timesheets prior to submission. Corrections identified by an employee's supervisor shall be authorized by the employee.

An employee who is on leave, traveling, or is ill on the day that timesheets are due may communicate timesheet information (actual time worked and the appropriate classifications) to his or her supervisor.

Processing of Timesheets

The Accountant I CLM will process the timesheets by submitting payroll to the payroll service center.

The Accountant I CLM may not change or correct timesheets. When errors are noted, if a corrected and approved timesheet is not resubmitted in time to the Accountant I CLM, the employee may not receive a paycheck until the next pay period.

Tampering with, altering, or falsifying time records, recording time on another employee's time record, or willfully violating any other timesheet policy or procedure may result in disciplinary action, up to and including discharge.

Internal Audit of Payroll Data

CareerSource North Florida, in conjunction with CareerSource Citrus Levy Marion will conduct an annual internal audit of certain payroll data. This internal audit shall be performed by CSNF's Internal Auditor. The purpose of this internal audit is to determine the integrity of CSNF's payroll records. The internal audit shall include the following procedures:

1. Tracing a sample of salaries, withholdings, deductions, and direct deposit information to supporting documentation in each selected employee's payroll and/or personnel file.
2. Tracing a sample of new hires and departures to personnel files, including verification of first and last pay dates.
3. Cross-checking the payroll master files for employees with identical addresses, social security numbers, or direct deposit bank account information.

Any unexplained deviations found as a result of these internal audit procedures shall be reported to the chair of the Executive Committee.

Control Grid – Payroll and Human Resources

CareerSource North Florida strives to maintain adequate segregation of duties in its payroll and human resources functions. The following table illustrates how responsibilities have been assigned. In this table, personnel are identified as follows:

- A. Executive Director or other Directors
- B. Director of Finance CLM
- C. Accountant I CLM

Duty	A	B	C
Authorizes new hires	X		
Authorizes salary adjustments	X		
Authorizes terminations	X		
Sets up new employee in P/R system			X
Enters salary adjustments to P/R system			X
Enters direct deposit info. in P/R system			X
Deletes terminated employees from P/R			X
Reviews changes to payroll master file	X	X	
Approves timesheets	X		
Reviews input of timesheet data			X
Reviews distribution of time	X		X
Reviews payroll register			X

POLICIES PERTAINING TO SPECIFIC ASSET ACCOUNTS

CASH AND CASH MANAGEMENT

Cash Accounts

General Checking Account (operating and payroll account):

The primary operating account provides for routine business check disbursements and transfers. All cash and electronic funds deposits are made to this account.

Cash transfers are done on an as-needed basis to cover disbursements. Excess funds in this account may be transferred into interest-bearing or other accounts, such as PLT savings or reloadable card accounts.

In addition, all advances of federal funds when allowed by grants shall be deposited in an interest-bearing account and interest earned in excess of \$500 shall be returned to the Federal Payment Management System (PMS). Interest earned on such funds will be allocated to federal awards based on the percentage of funds received during the month for each award.

The amount needed to each payroll is calculated by the Director of Finance CLM based on timesheets and drawn down into the General Checking Account, including processing fees for the payroll processing service. An ACH transfer is completed to the payroll processing service in the amount required for Direct Deposit into staff accounts.

Savings Account

CSNF also maintains an interest-bearing savings account. The Savings Account is specifically maintained as a funded leave pool to account for accrued leave time. Accrued leave is expensed to contracts when earned. The liability and cash account will be recorded in CareerSource North Florida's General Fund.

The Accountant I CLM will:

1. Record leave time used and time earned each pay period
2. Provide a quarterly report to the Director of Finance CLM.

The Director of Finance CLM will:

1. Record the accrual in the financial statements
2. Adjust the funded staff leave pool accordingly.

Authorized Signers

The following CareerSource North Florida personnel and Board Members are authorized to sign checks drawn on the general operating and payroll accounts.

Executive Director (Marsha Durden)
Deputy Director (Deborah Cohn)

Board Member 1 (Ronnie Moore)
Board Member 2 (Alvin Jackson)

The Executive Director and/or the Administrative Coordinator will promptly notify CSNF's financial institutions of changes in authorized signatures upon the departure of any authorized signer. Refer to CHECK SIGNING for procedures.

Bank Reconciliations

Bank account statements are received each month and reviewed by first the Administrative Coordinator, then the Executive Director for unusual or unexplained items, such as unusual endorsements on checks, indications of alterations to checks, etc. The Executive Director will sign indicating review, and the Treasurer of the Board will also review the statements and sign indicating review.

The reconciliation process shall involve an inspection of the check image, etc. The purpose of this inspection is to identify signs of forgery, altered or substitute checks, unusual endorsements, or other signs of fraudulent activity.

All bank reconciliations, including any adjusting journal entries resulting from preparing bank reconciliations, are reviewed and approved by the Director of Finance CLM on a monthly basis.

Bank reconciliations and copies of resulting journal entries are filed in the current year's accounting files.

Cash Flow Management

The Administrative Coordinator will compile invoices, both realized and expected, then send estimated bi-weekly cash requests to the Director of Finance CLM. The Director of Finance CLM monitors cash flow needs on a weekly basis to eliminate idle funds and to ensure that payment obligations can be met. Cash transfers between accounts are performed on an as-needed basis.

CareerSource North Florida adheres to the requirements of its grants which prohibit loaning funds between programs; therefore, cash management and reporting is performed at the program level as well as for CSNF as a whole.

Petty Cash

CareerSource North Florida does not keep a petty cash fund.

PROPERTY AND EQUIPMENT

Capitalization Policy

Physical assets acquired with unit costs in excess of \$5,000 are capitalized as property and equipment on CSNF's financial statements. Items with unit costs below this threshold shall be expensed in the year purchased.

If an awarding agency requires a lower amount for equipment, CareerSource North Florida will adhere to that dollar amount only for that program or contract.

Capitalized property and equipment additions are accounted for at their historical cost and all such assets, except land, are subject to depreciation over their estimated useful lives, as described later.

Capitalized assets will be reported as expensed for grants if they were so budgeted in the grant application. However, for CSNF's financial statements, these assets will be capitalized and depreciated according to these policies.

Contributed Assets

Assets with fair market values in excess of \$5,000 (per unit) that are contributed to CareerSource North Florida shall be capitalized as fixed assets on the financial statements. Contributed items with market values below this threshold shall be expensed in the year contributed.

Capitalized contributed assets are accounted for at their market value at the time of donation and all such assets, except land, are subject to depreciation over their estimated useful lives, as described later.

Equipment and Furniture Purchased with Federal Funds

(2 CFR Part 200.313)

CareerSource North Florida may occasionally purchase equipment and furniture that will be used exclusively on a program funded by a federal agency. In addition to those policies on Asset Management described earlier, equipment and furniture charged to federal awards will be subject to certain additional policies as described below.

For purposes of federal award accounting and administration, *equipment* shall include all assets with a unit cost equal to the lesser of \$5,000 or the capitalization threshold utilized by CareerSource North Florida, described in this section.

All purchases of equipment and other capital assets with federal funds shall be approved, in advance and in writing, by the federal awarding agency or FloridaCommerce. In addition, the following policies shall apply regarding equipment purchased and charged to federal awards:

1. Adequate insurance coverage will be maintained with respect to equipment and furniture charged to federal awards.

2. For equipment (or residual inventories of supplies) with a remaining per unit fair market value of \$5,000 or less at the conclusion of the award's period of performance, CareerSource North Florida shall retain the equipment without any requirement for notifying the federal agency.
3. If the remaining per unit fair market value is \$5,000 or more, CareerSource North Florida shall gain a written understanding with the federal agency regarding disposition of the equipment. This understanding may involve returning the equipment to the federal agency, keeping the equipment and compensating the federal agency, or selling the equipment and remitting the proceeds, less \$500 or 10% of the proceeds, whichever is less, to the federal agency. *(2 CFR Part 200.313(e)(2))*
4. The Grant Manager shall determine whether a specific award with a federal agency includes additional equipment requirements or thresholds and requirements that differ from those described in this section.
5. A physical inventory of all equipment purchased with federal funds shall be performed annually by an employee who is not responsible for ordering or approving the purchase of these assets. The results of the physical inventory shall be reconciled to the accounting records of, and federal reports filed by, CareerSource North Florida. All adjustments resulting from this reconciliation will be approved by the Executive Director.

Establishment and Maintenance of a Fixed Asset Listing

All capitalized property and equipment shall be recorded in a property log. This log shall include the following information with respect to each asset: *(2 CFR part 200.313(d)(1))*

1. Date of acquisition
2. Cost
3. Description (including color, model, and serial number or other identification number)
4. Source of the funds used to purchase the equipment, including the federal award number, if applicable
5. Whether the title vests in CSNF or the federal government
6. Information to calculate the federal share of the cost of the equipment, if applicable
7. Location, use, and condition of asset
8. Depreciation method
9. Estimated useful life
10. Ultimate disposition data including the date of disposal and sale price
11. FAIN with which the item was purchased

Receipt of Newly Purchased Equipment and Furniture

At the time of arrival, all newly purchased equipment and furniture shall be examined for obvious physical damage and other material specifics required/expected. If an asset appears damaged, is not in working order, or is not as ordered, it shall be returned to the contractor/vendor immediately.

In addition, descriptions and quantities of assets per the packing slip or bill of lading shall be compared to the assets delivered. Discrepancies should be resolved with the contractor/vendor immediately.

Depreciation and Useful Lives

All capitalized assets are maintained in the special property and equipment account group and are not included as an operating expense. Property and equipment are depreciated over their estimated useful lives using the straight-line method.

In the year of acquisition, depreciation is recorded based on the number of months the asset is in service, counting the month of acquisition as a full month (example: an asset purchased on the fifteenth day of the fifth month shall have eight full months of depreciation (8/12 of one year) recorded for that year).

Estimated useful lives of capitalized assets shall be determined by the Finance Department. The following is a list of the estimated useful lives of each category of fixed asset for depreciation purposes:

Furniture and fixtures	Up to 10 years
General office equipment	5 years
Computer hardware and peripherals (which exceed the capitalization threshold)	3-5 years
Computer software	2-3 years
Leased assets	Life of lease
Leasehold improvements	Remaining lease term
Mobile Career Center (vehicle)	5-7 years

For accounting and interim financial reporting purposes, depreciation expense will be recorded on an annual basis.

Changes in Estimated Useful Lives

If it becomes apparent that the useful life of a particular capitalized asset will be less than the life originally established, an adjustment to the estimated useful life shall be made. All such changes in estimated useful lives of capitalized assets must be approved by the Executive Director.

When a change in estimated useful life is made, the new life is used for purposes of calculating annual depreciation expense. In the year in which the change in estimate is made, the cumulative effect of the change shall be reflected as depreciation expense in CSNF's statement of activities.

For example, if in the fourth year of an asset's life, it is determined that the asset will last five years instead of the original estimate of seven years, depreciation expense for that year shall be equal to the difference between 4/5 of the asset's basis (accumulated depreciation at the end of year four) and 3/7 of the asset's basis (accumulated depreciation at the beginning of the year).

Repairs of Property and Equipment

Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property.

Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining estimated useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.

Dispositions of Property and Equipment

If equipment is sold, scrapped, or stolen, adjustments need to be made to the fixed asset listing and property log. If money is received for the asset, then the difference between the amount received and the "book value" (purchase price less depreciation) of the asset will be recorded as a loss (if the money received is less than the book value) or a gain (if the money received is more than the book value).

Write-Offs of Property and Equipment

The Executive Director approves the disposal of all capitalized fixed assets that may be worn-out or obsolete. Property that is discovered to be missing or stolen will be reported immediately to the Executive Director. If not located, this property will be written off the books with the proper notation specifying the reason.

LEASES

Classification of Leases

CareerSource North Florida classifies all leases in which CSNF is a lessee as either capital or operating leases. CareerSource North Florida shall utilize the criteria described in Accounting Standards Codification 840 in determining whether a lease is capital or operating in nature. Under those criteria, a lease shall be treated as a capital lease if, at the time of entering into the lease, any of the following factors are present:

1. The lease transfers ownership to CareerSource North Florida at the end of the lease term.
2. The lease contains a bargain purchase option.
3. The lease term is equal to 75% or more of the estimated economic life of the leased property.
4. The present value of the minimum lease payments is 90% or more of the fair value of the leased property (using, as the interest rate, the lesser of CareerSource North Florida's incremental borrowing rate or, if known, the lessor's implicit rate).

All leases that do not possess any of the four preceding characteristics shall be treated as operating leases. In addition, all leases that are immaterial in nature shall be accounted for as operating leases.

Reasonableness of Leases

CareerSource North Florida assesses the value of leases according to the requirements of 2 CFR Part 200.465, Rental Costs of Real Property and Equipment, considering the following factors;

- The rate is reasonable when compared to similar property in the same area;
- The rate of any alternatives; and
- The type, life expectancy, condition, and value of the property leased.

Rental arrangements will be reviewed every 3 to 5 years to determine if circumstances have changed and other options are available.

Accounting for Leases

All leases that are classified as operating leases and immaterial capital leases shall be accounted for as expenses in the period in which the lease payment is due.

For leases with firm commitments for lease payments that vary over the term of the lease (i.e., a lease with fixed annual increases that are determinable upon signing the lease), the amount that CareerSource North Florida shall recognize as monthly lease expense shall equal the average monthly lease payment over the entire term of the lease. Differences between the average monthly payment and the actual monthly payment shall be accounted for as an asset or liability.

All leases that are classified as capital leases shall be treated as capital asset additions. As such, upon the inception of a capital lease, CareerSource North Florida shall record a capitalized asset and a liability under the lease, based on the net present value of the minimum lease payments (or the fair value of the leased asset, if it is less than the present value of the lease payments). Periodic lease payments shall be allocated between a reduction in the lease obligation and interest expense. The capitalized asset recorded under a capital lease shall be depreciated over the term of the lease, using the straight-line method of depreciation.

CareerSource North Florida shall also maintain a control list of all operating and capital leases. This list shall include all relevant lease terms, including a schedule of future annual lease payments obligations.

Changes in Lease Terms

As described in earlier policies, leasehold improvements are amortized over the initial lease term. If such lease term is changed prior to the expiration of the initial lease term, CareerSource North Florida will revise amortization to reflect the remaining lease term as of the effective date of the lease modification.

POLICIES PERTAINING TO LIABILITY AND NET ASSET ACCOUNTS

ACCRUED LIABILITIES

Identification of Liabilities

The Finance Department shall establish a list of commonly incurred expenses that may have to be accrued at the end of an accounting period. Some of the expenses that shall be accrued by CareerSource North Florida at the end of an accounting period are:

- Salaries and wages
- Payroll taxes
- Paid leave (see policy below)
- Rent
- Tuition and support services

In addition, CareerSource North Florida shall record a liability for deferred revenue (revenue received but not yet earned) in accordance with the revenue recognition policies described elsewhere in this manual. Adjustments to deferred revenue accounts shall be made monthly.

Accrued Leave

Personnel policies permit employees to carry forward up to 240 hours of unused leave from year to year. Such unused leave is payable to an employee upon termination of employment of an employee in good standing.

Accordingly, CareerSource North Florida records a liability for accrued leave to which employees are entitled. The total liability at the end of an accounting period shall equal the total earned but unused hours of leave, up to a maximum of 240 hours, multiplied by each employee's current hourly pay rate.

INCOME TAXES PAYABLE

Accrual of Income Taxes

CareerSource North Florida is exempt from federal income taxes. However, if CareerSource North Florida generates taxable income from unrelated trade or business activities, a liability for income taxes payable shall be accrued at the applicable corporate income tax rates.

All income taxes payable shall be paid by the due date of the returns on which such income taxes are to be reported. If CareerSource North Florida becomes subject to a requirement to remit estimated income taxes on a quarterly basis, such amounts shall be accrued and paid quarterly.

Income Tax Positions

CareerSource North Florida takes several “income tax positions” that are reflected in CSNF’s financial statements. The primary income tax positions of CareerSource North Florida are:

1. That CareerSource North Florida qualifies for its exemption from income taxes under IRS section 501(c)(3) meaning it has not engaged in any activity that could result in revocation of this exemption, including but not limited to:
 - a. Not providing net distributions of profits, or paying compensation that was not earned or is excessive.
 - b. Not making political contributions or engaging in political activities.
 - c. Not exceeding the appropriate lobbying limitations.
2. That none of CareerSource North Florida’s forms of revenue is subject to the unrelated business income tax (UBIT).
3. That CareerSource North Florida has properly determined which forms of revenue are subject to the unrelated business income tax and which forms of revenue are exempt from UBIT.
4. That the calculations of income, deductions, tax credits, and other amounts reported on Form 990-T are in compliance with the Internal Revenue Code and IRS regulations.
5. That CareerSource North Florida’s calculations of income, deductions, etc. reported on its state income tax return are in compliance with state laws and regulations.
6. That CareerSource North Florida’s allocation of gross taxable income by state is in compliance with all applicable state laws and regulations (i.e., CSNF is filing state returns in each state that would require a return).

It is the policy of CareerSource North Florida that all income tax positions taken by CSNF shall meet the “more likely than not” criterion of FIN 48 meaning CSNF’s management believes that it is more likely than not that the applicable taxing authorities would concur with the position taken by CSNF. In reaching this determination, the Director of Finance CLM and the Executive Director shall perform

whatever tax research is considered necessary and shall have the authority to engage CSNF's independent CPA firm or other outside experts for advice on such matters.

If CSNF receives advice and/or research from an outside party in connection with this policy, CSNF shall make its own final determination of whether or not to take a particular income tax position. In doing so, it shall not blindly rely on outside advice. Rather, CSNF shall gain a complete understanding of the conclusions reached by any outside parties in providing counsel to CSNF in connection with this policy. Gaining this understanding and forming the income tax positions of CareerSource North Florida shall be the responsibility of the Executive Director.

The Executive Director shall provide a briefing to the Executive Committee and obtain the committee's concurrence each time an income tax position is established or changed.

NET ASSETS

Classification of Net Assets

Net assets of CSNF shall be classified based upon the existence or absence of donor-imposed restrictions as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to funder or donor-imposed stipulations that may or will be satisfied through the actions of CSNF and/or the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that CSNF permanently maintain certain contributed assets. Generally, donors of such assets permit CSNF to use all or part of the income earned from permanently restricted net assets for general operations or for specific purposes. Permanent restrictions do not pass with the expiration of time, nor can they be removed through CSNF's actions.

Net assets accumulated that are not subject to donor-imposed restrictions, but which the Board of Directors of CSNF has earmarked for specific uses, shall be segregated in the accounting records as "Board-designated" funds within the unrestricted category of net assets.

Restrictions may be associated with either a time period (e.g., a particular future time period) or a purpose (e.g., specific programs). A purpose stipulation will be considered a restriction only if it is more specific than the broad limits resulting from the nature of CSNF, the environment in which it operates, and the purposes specified in CareerSource North Florida's Articles of Incorporation and Bylaws.

Reclassifications from Restricted to Unrestricted Net Assets

CSNF shall report in its statement of activities a reclassification from restricted to unrestricted net assets if any of the following events occur:

1. Fulfillment of the purpose for which the net assets were restricted (e.g., spending restricted funds for the stipulated purpose)
2. Expiration of time restrictions imposed by donors
3. Death of an annuity beneficiary
4. Withdrawal by the donor (or by a court) of a time or purpose restriction

If a donor stipulates multiple restrictions (such as a purpose and a time restriction), reclassifications from temporarily restricted to unrestricted net assets shall be reported only upon the satisfaction of the final remaining restriction.

Reclassifications from Unrestricted to Restricted Net Assets

If CSNF accepts and receives a restricted contribution from a donor who further stipulates that CSNF set aside a portion of its unrestricted net assets for that same purpose, CSNF shall report in its statement of activities a reclassification of net assets from unrestricted to temporarily or permanently restricted, based on the specific nature of the restriction.

Disclosures

CSNF discloses in a footnote to the financial statements the different types of temporary and permanent restrictions associated with CSNF's net assets as of the end of each fiscal year.

POLICIES ASSOCIATED WITH FINANCIAL AND TAX REPORTING

FINANCIAL STATEMENTS

Standard Financial Statements of CSNF

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to CSNF. Financial statements may reflect year-to-year historical comparisons or current year budget-to-actual comparisons.

The basic financial statements that are maintained on an organization-wide basis shall include:

1. **Statement of Financial Position** – Reflects assets, liabilities, and net assets of CSNF and classifies assets and liabilities as current or noncurrent/long-term and net assets by category (unrestricted, temporarily restricted, and/or permanently restricted).
2. **Statement of Activities** – Presents support, revenues, expenses, and other changes in net assets of CSNF, by category of net asset (unrestricted, temporarily restricted, and permanently restricted), including reclassifications between categories of net assets.
3. **Statement of Cash Flows** – Reports the cash inflows and outflows of CSNF in three categories: operating activities, investing activities, and financing activities.
4. **Statement of Functional Expenses** – Presents the expenses of CSNF in a natural or objective format and by function (i.e., which program or supporting service was served).

Frequency of Preparation

The objective of the Finance Department is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner. In meeting this responsibility, the following policies shall apply:

A standard set of financial statements described in the preceding section shall be produced on an annual basis by the contracted independent auditing firm. The standard set of financial statements described in the preceding section shall be supplemented by the following schedules:

1. Individual statements of activities on a departmental and functional basis (and/or program/grant basis)
2. Comparisons of actual year-to-date revenues and expenses with year-to-date budgeted amounts

The monthly set of financial statements shall be prepared on the accrual method of accounting, including all receivables, accounts payable received by the 20th of the month, and actual depreciation expense.

Review and Distribution

All financial statements and supporting schedules shall be reviewed and approved by the Executive Director

After approval by the Executive Director, a complete set of monthly financial statements, including the supplemental schedules described above, shall be distributed to the following individuals:

- Treasurer
- Department Directors and other employees with budget-monitoring responsibilities

Financial statements may include an additional supplemental schedule prepared or compiled by the Director of Finance CLM. The purpose of this schedule is to provide explanations for material budget variances in accordance with CareerSource North Florida's budget monitoring policies described later in this manual (under the FINANCIAL MANAGEMENT POLICIES section).

Monthly Distribution

On a monthly basis, the Board of Directors will be provided with summary program and/or grant financial information.

Annual Financial Statements

On an annual basis, CSNF shall prepare, under the direction of the independent auditor a complete set of GAAP financial statements, including footnotes addressing all disclosures required by GAAP. These financial statements shall be presented to CareerSource North Florida's independent auditors at the beginning of their annual audit as the draft statements from which they will conduct their audit.

A formal presentation of CSNF's annual audited financial statements shall be provided by the independent auditor to the full Board of Directors at CSNF's November Meeting. See separate policies regarding the annual audit under FINANCIAL MANAGEMENT POLICIES.

GOVERNMENT RETURNS

Overview

To legitimately conduct business, CareerSource North Florida must be aware of its tax and information return filing obligations and comply with all such requirements of federal, state, and local jurisdictions. Filing requirements of CareerSource North Florida include, but are not limited to, filing annual information returns with IRS, state charitable solicitation reports, annual reports for corporations, property tax returns, income tax returns, sales tax returns, information returns for retirement plans, annual reporting of compensation paid, and payroll tax withholding tax returns.

Filing of Returns

The Executive Director shall be responsible for identifying all filing requirements and ensuring that CareerSource North Florida is in compliance with all such requirements. CSNF will file complete and accurate returns with all authorities and make all efforts to avoid filing misleading, inaccurate, or incomplete returns.

Filings made by CareerSource North Florida include, but are not limited to, the following returns:

1. **Form 990** – Annual information return of tax-exempt organizations, filed with IRS. Form 990 for CareerSource North Florida is due on the fifteenth day of the fifth month following year-end. An automatic 3-month extension of time to file Form 990 may be obtained filing Form 8868. Upon expiration of the first 3-month extension, a second 3-month extension may be requested using Form 8868.
2. **W-2s and 1099s** – Annual report of employee and non-employee compensation, based on calendar-year compensation, on the cash basis. These information returns are due to employees and independent contractors by January 31 and to the federal government by February 28. Form 1099-MISC is required only if CSNF has provided more than \$600 in compensation to an independent contractor during the calendar year.

CareerSource North Florida's tax year-end is December 31. All annual tax and information returns of CareerSource North Florida (Form 990) are filed on the accrual basis of reporting.

Federal and all applicable state payroll tax returns are prepared by CSNF's external Payroll Administrator, ADP, as contracted by CareerSource CLM.

CareerSource North Florida complies with all state payroll tax requirements by withholding and remitting payroll taxes to the state of residency of each CareerSource North Florida employee.

Review of Form 990 by Board of Directors

A draft of CareerSource North Florida's annual Form 990 information return shall be reviewed and approved by the Board of Directors prior to being filed with the Internal Revenue Service. This review and approval shall be documented with the signature of the Executive Director

Public Access to Information Returns

CareerSource North Florida is subject to federal requirements to make the following forms "widely available" to all members of the general public:

1. The three most recent annual information returns (Form 990 and Form 990-T, if applicable)
2. CareerSource North Florida's original application for recognition of its tax-exempt status (Form 1023 or Form 1024), filed with IRS, and all accompanying schedules and attachments.

Copies are maintained in the online archive of the IRS Clearing House and are available to search by any member of the public, without registration requirements.

OTHER TAX CONSIDERATIONS

State and Local Property, Sales, Use & Income Taxes

CareerSource North Florida will monitor state and local tax laws in locations where CSNF conducts business to ensure that it is complying with all applicable tax laws. Organizations that qualify as tax-exempt charitable entities under Section 501(c)(3) of the Internal Revenue Code for income tax purposes may need to apply separately for exemptions from state and local property and/or sales tax in the various locations where they conduct business. State and local tax rules vary widely from state to state.

State Charity Registrations

Various states may require CareerSource North Florida to register with them for two primary reasons: if CSNF has an office, programs or owns real estate in that state and/or if they raise funds in the state.

CareerSource North Florida could be required to register and file annual reports with other states if it conducts charitable solicitations within those states. States regulate fundraising through charitable solicitation laws. State reporting can involve two components – registration and an annual financial report. The registration may be a single initial filing or an annual filing which provides information about an organization's finances and budgets. The annual financial report generally covers operating results with an emphasis on fundraising.

CareerSource North Florida's internet fundraising efforts could be considered charitable solicitations in various other states. CareerSource North Florida will examine the reach of its internet fundraising efforts and register to solicit funds in all applicable states. Some factors CareerSource North Florida will consider in determining whether internet fundraising efforts require registration in specific states are whether the campaigns specifically target individuals in a certain state and whether CareerSource North Florida repeatedly receives contributions from a state on an ongoing or substantial basis.

TRANSACTIONS WITH INTERESTED PERSONS

In connection with complying with requirements of the Internal Revenue Code and the Form 990 information return, CSNF shall identify all individuals and entities qualifying as *interested persons* as defined by the IRS:

1. All current officers, directors, trustees, and key employees (individuals required to be listed on the Form 990)
2. All former officers, directors, trustees, and key employees
3. Substantial contributors (a person required to be listed on Schedule B of the Form 990)
4. Family members of any individual listed in 1, 2, 3, defined as spouses, ancestors, brothers, sisters, children, grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren.
5. A 35% controlled entity of any of the persons listed in 1, 2, 3
6. A donor or donor advisor to a donor-advised fund
7. An investment advisor of a sponsoring organization

Record of Transactions with Interested Persons

CSNF shall maintain a record of all transactions and balances with interested persons for each fiscal year for purposes of disclosure on the Form 990. This record shall be reviewed and approved by the Executive Director and provided to the Form 990 preparer.

UNRELATED BUSINESS ACTIVITIES

Identification and Classification

CareerSource North Florida properly identifies and classifies income-producing activities that are unrelated to CSNF's tax-exempt purpose using the guidelines described in the Internal Revenue Code and underlying regulations. Such income accounts shall be segregated in separate accounts in the general ledger in order to facilitate tracking and accumulation of unrelated trade or business activities.

Allocation of Expenses to Unrelated Activities

In addition to segregating income associated with activities that are unrelated to CareerSource North Florida's exempt purpose, CSNF's general ledger shall also provide accounts for expenses associated with each such unrelated activity. These expenses shall be offset against unrelated business revenue in arriving at unrelated business taxable income. Expenses that shall be offset against gross unrelated business income shall be limited to those expenses directly associated with the production of such income, including reasonable allocation of indirect or shared or joint costs that benefit each activity, in accordance with expense allocation policies described elsewhere in this manual.

Reporting

CareerSource North Florida will file IRS Form 990-T to report taxable income from unrelated trade or business activities. Form 990-T is subject to public access and disclosure requirements. Please see the PUBLIC ACCESS TO INFORMATION RETURNS section above.

CareerSource North Florida shall also report taxable income from unrelated trade or business activities that are subject to state or local income or franchise taxes on the appropriate return.

JOINT VENTURES

CareerSource North Florida will evaluate and negotiate potential participation in joint ventures under Federal tax law to ensure that any proposed venture safeguards CSNF's tax-exempt status. For the purposes of this policy, a joint venture is any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment or exempt purpose activity.

In order to adequately safeguard its tax-exempt status, CareerSource North Florida will negotiate transactions and arrangements so that it has sufficient control over the venture to ensure that the activity furthers the exempt purpose of CSNF and that all agreements be on terms that are arm's length or more favorable to CSNF. CareerSource North Florida will also require that the venture give priority to exempt purposes over maximizing profits and that the venture not engage in activities that would jeopardize CSNF's exempt status.

FINANCIAL MANAGEMENT POLICIES

BUDGETING

Overview

Budgeting is an integral part of managing any organization in that it is concerned with the translation of organizational goals and objectives into financial terms. A budget should be designed and prepared to direct the most efficient and prudent use of CSNF's financial and human resources. A budget is a management commitment of a plan for present and future organizational activities that will ensure survival. It provides an opportunity to examine the composition and viability of CSNF's programs and activities simultaneously in light of the available resources.

Budgets are also prepared for funding sources, and each grant manager must be aware of budget modification requirements. Awarding agencies may or may not require approval for changes in line items. CareerSource North Florida will document and follow all such requirements.

Preparation and Adoption

CareerSource North Florida will prepare an annual budget on the accrual basis of accounting. The Executive Director and Administrative Coordinator gather proposed Organization-wide budget information from all Department Directors and others with budgetary responsibilities and prepares the first draft of the budget. Budgets proposed and submitted by each department should be accompanied by a narrative explanation of the sources and uses of funds and should explain all material fluctuations in budgeted amounts from prior years.

After appropriate revisions and a compilation of all department budgets by the Director of Finance CLM, a draft of CSNF-wide budget, as well as individual department budgets, is presented to the Executive Director for discussion, revision, and initial approval. After approval from the Executive Director, it is sent to the Workforce Consortium for approval and revision, if necessary.

The draft is then submitted to the entire Board of Directors for adoption.

It is the policy of CareerSource North Florida to adopt a final budget at least 30 days (or as soon after receiving final allocations from FloridaCommerce as possible) before the beginning of CSNF's fiscal year. The purpose of adopting a final budget at this time is to allow adequate time for the Finance Department to input the budget into the accounting system and establish appropriate accounting and reporting procedures (including any necessary modifications to the chart of accounts) to ensure proper classification of activities and comparison of budget versus actual after the year begins.

Budgets for programs whose grant years are different from CSNF's fiscal year will be prepared in accordance with awarding agency requirements, and will also be included in CSNF-wide budget.

Monitoring Performance

CareerSource North Florida monitors its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the monthly financial reporting process described earlier.

On a monthly basis, financial reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amounts shall be produced by the Finance Department and distributed to each employee with budgetary responsibilities.

Budget and Program Revisions

CareerSource North Florida will request prior approval from federal awarding agencies for any of the following program or budget revisions: *(2 CFR Part 200.308)*

1. Change in the scope or objective of the project or program, even if there is no associated budget revision requiring prior written approval.
2. Change in a key person (Project Director, etc.) specified in the application or award document.
3. Disengagement for more than three months, or a 25% reduction in time devoted to the project, by the approved Project Director or principal investigator.
4. The need for additional federal funding.
5. The inclusion, unless waived by the federal awarding agency, of costs that require prior written approval in accordance with 2 CFR Part 200.407 Prior Written Approval.
6. The transfer of funds allotted for participant support costs to other categories of expense.
7. Unless described in the application and funded in the approved awards, the subaward, transfer, or contracting out of any work under an award. (However, this provision does not apply to purchases of supplies, materials, equipment, or general support services.)
8. Changes in the amount of the approved cost-sharing or matching provided by CSNF.

Budget Modifications

After a budget has been approved by the Board of Directors and adopted by CSNF, reclassifications of budgeted expense amounts of less than \$5,000 within a single department may be made with approval from the Executive Director. Reclassifications of budgeted expense amounts across departments of greater than \$5,000 but less than \$10,000 may be made only with approval of the Executive Director.

Reclassifications in excess of the preceding thresholds and any budget modification resulting in an increase in budgeted expenses or decrease in budgeted revenues shall be made only with approval of the Executive Committee or full Board of Directors.

ANNUAL AUDIT

Arranging for the Annual Audit

CareerSource North Florida will arrange for an annual audit of CSNF's financial statements to be conducted by an independent accounting firm. The independent accounting firm is selected by Request for Proposals every five (5) years in conjunction with CareerSource Citrus Levy Marion.

Audited financial statements, including the auditor's opinion thereon, will be submitted and presented to the Board of Directors by the independent accounting firm at CSNF's November Meeting.

Auditor Independence

CareerSource North Florida may from time to time request the independent auditor to provide services outside the scope of the annual audit and Form 990 preparation. In connection with these non-audit services, it is imperative that the independent auditor remain independent in fact and in appearance in order to continue serving CSNF as its auditor.

Generally, in order to remain independent with respect to the audit, CSNF's auditors should not provide non-audit services that involve performing management functions or making management decisions nor should they provide non-audit services in situations where the non-audit services are significant/material to the subject matter of the audits (or where they would be auditing their own work in connection with the annual audit).

Therefore, it is CSNF's policy to evaluate any non-audit service requested from the independent auditor for possible impairments to the firm's independence, and to not permit the performance of any services that would impair independence.

In addition, for each non-audit service that is to be provided by CSNF's independent auditor, CSNF shall:

1. Designate a management level individual to be responsible and accountable for overseeing the non-audit service (to be determined by the Executive Director).
2. Establish and monitor performance of the non-audit service to ensure that it meets management's objectives (to be performed by the person designated in step 1).
3. Make any decisions that involve management functions related to the non-audit service and accept full responsibility for such decisions.
4. Evaluate the adequacy of the services performed and findings that result.

How Often to Review the Selection of the Auditor

CareerSource North Florida shall review the selection of its independent auditor in the following circumstances:

1. Any time there is dissatisfaction with the service of the current firm;
2. When a fresh perspective and new ideas are desired; or
3. Every 5 years to ensure competitive pricing and a high quality of service (this is not a requirement to change auditors every five years, but simply to reevaluate the selection).

Selecting an Auditor

The selection of an accounting firm to conduct the annual audit is a task that should be taken very seriously. The following factors shall be considered by CareerSource North Florida in selecting an accounting firm:

1. The firm's reputation in the nonprofit community.
2. The depth of the firm's understanding of and experience with grant-funded not-for-profit organizations and federal reporting requirements under 2 CFR Part 200.
3. The firm's demonstrated ability to provide the services requested in a timely manner.
4. The ability of firm personnel to communicate with Organization personnel in a professional and congenial manner.

The following information should be included in the written Request for Proposal (RFP) to be sent to prospective audit firms:

1. Period of services required
2. Complete description of the services requested (audit, management letter, tax returns, etc.)
3. Identification of meetings requiring their attendance, such as staff or Board of Director meetings
4. Organization chart
5. Chart of account information
6. Financial information about CSNF
7. Copy of prior year reports (financial statements, management letters, etc.)
8. Identification of need to perform audit in accordance with 2 CFR Part 200.500 – 521, and the appropriate OMB Compliance Supplements
9. Other information considered appropriate
10. Description of proposal and format requirements
11. Due date of proposals
12. Overview of selection process (i.e., whether finalists will be interviewed, when a decision shall be made, etc.)
13. Identification of criteria for selection

Minimum Proposal Requirements from prospective CPA firms shall be:

1. Firm background
2. Biographical information (resumes) of key firm members who will serve CareerSource North Florida
3. Client references
4. Information about the firm's capabilities
5. Firm's approach to performing an audit

6. Copy of the firm's most recent quality/peer review report, including any accompanying letter of findings
7. Other resources available from the firm
8. Expected timing and completion of the audit
9. Expected timing of delivery of reports
10. Cost estimate including estimated number of hours per staff member
11. Rate per hour for each auditor
12. Other information as appropriate

Preparation for the Annual Audit

CareerSource North Florida shall be actively involved in planning for and assisting with CSNF's independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the Finance Department shall provide assistance to the independent auditors in the following areas:

Planning

The Executive Director is responsible for delegating the assignments and responsibilities to finance staff in preparation for the audit. The Administrative Coordinator shall review and compile the list of information requested by the auditors. The Executive Director shall then schedule and direct status meetings in the weeks leading up to the audit in order to review the progress of staff in preparing for the audit.

The Executive Office shall arrange and coordinate any and all meetings, interviews, telephone discussions, and conference calls requested by the auditor with CareerSource North Florida Board members, Executive Committee members, or employees to facilitate the auditor's work. Prior to any such meetings or discussions, the Executive Director shall inform each CSNF participant of the nature of the discussion or meeting and what, if any, preparations they should do prior to the meeting. The Executive Director shall communicate to each CareerSource North Florida participant in such meetings or discussions the importance of being open, honest, and frank with the auditors with respect to all questions posed by the auditors.

Involvement

CSNF staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.

Interim Procedures

To facilitate the timely completion of the annual audit, the independent auditors may perform selected audit procedures prior to CSNF's year-end. By performing significant portions of audit work as of an interim date, the work required subsequent to year-end is reduced. Organization staff will provide requested schedules and documents to assist the auditors during any interim audit fieldwork.

Throughout the audit process, CareerSource North Florida will make every effort to provide schedules, documents, and information requested by the auditors in a timely manner.

Concluding the Audit

Upon receipt of a draft of the audited financial statements from its independent auditor, the Executive Office shall perform a detailed review of the draft, consisting of the following procedures:

1. Carefully read the entire report for typographical errors.
2. Trace and agree each number in the financial statements and accompanying footnotes to the accounting records and/or internal financial statements of CareerSource North Florida.
3. Review each footnote for accuracy and completeness.

Any questions or errors noted as part of this review shall be communicated to the independent auditor in a timely manner and resolved to the satisfaction of the Executive Director.

It shall also be the responsibility of the Executive Director to review and respond in writing to all management letter or other internal control and compliance report findings and recommendations made by the independent auditor.

In addition, the Single Audit Clearinghouse form shall be completed and a copy submitted to the Executive Director after the report is presented to the CSNF Board.

Audit Adjustments

It is the policy of CareerSource North Florida to review all adjustments prepared by the independent auditor in connection with the annual audit, and, if in concurrence, record them in the general ledger.

CSNF may also receive a list of unadjusted differences (or passed audit adjustments) from the independent auditor in connection with the audit. If CSNF receives such a list, it shall be the responsibility of the Executive Director to review them and determine whether or not to record them in the current year.

Internal Control Deficiencies Noted During the Audit

In accordance with generally accepted auditing standards, at the conclusion of the audit CSNF's independent auditors may provide a written communication of internal control deficiencies noted in connection with their audit. Not all deficiencies in internal control are required to be reported by the auditor. Only the following two types of deficiencies are required to be communicated:

1. **Material weakness** – A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.
2. **Significant deficiency** – A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

CSNF's independent auditors are required to provide written communication to the Audit Committee of all significant deficiencies and material weaknesses (i.e., only those control deficiencies that rise to the

level of materiality at which they qualify under the definitions provided above, in the opinion of the auditor).

It is CSNF's policy that all internal control deficiencies that are communicated by the auditor in writing shall be formally addressed by the Executive Committee, the Executive Director, Administrative Coordinator, and the Director of Finance CLM. The Executive Director shall prepare a written response, which shall include a corrective action plan, to each internal control finding and such response shall be presented to the Audit Committee for its review and approval.

Board or Audit Committee Communications with the Auditors

In accordance with generally accepted auditing standards, in connection with and at the conclusion of each annual audit, the auditors are required to make certain communications directly to the Audit Committee. The Executive Director shall facilitate all of these communications, arranging for face-to-face meetings, telephone or conference calls, or delivery of electronic or paper documents between auditor and Audit Committee members.

Some of the communications that CareerSource North Florida's auditors may have with CSNF's Audit Committee include:

1. Planning discussions prior to commencing the audit, such as by inquiring of audit committee members their perception of where the risk of material misstatements in CSNF's financial statements may be greatest, the various risks of fraud, and other inquiries.
2. Planning stage communications informing the Audit Committee of the planned scope and nature of certain audit procedures that the auditors plan to perform, to aid in the Audit Committee members having a thorough understanding of the audit.
3. Internal control deficiencies noted during the audit, communicated in writing at the conclusion of the audit.
4. Any material fraud detected by the auditor, or any fraud, regardless of materiality, involving senior management, noted at any time during the audit.
5. Significant problems or other issues that arose during the audit (e.g., disagreements with management and certain other items that the auditors may be required to report to the audit committee).
6. Audit adjustments made by the auditors as a result of their audit.
7. Certain audit differences noted by the auditors that they deemed not material enough to warrant making an adjustment for.

Audit Committee members should be aware of these communications and engage in active discussions with the auditors whenever it is considered appropriate in the fulfillment of these or their other duties.

INSURANCE

Overview

It is fiscally prudent to have an active risk management program that includes a comprehensive insurance package. This will ensure the viability and continued operations of CareerSource North Florida.

CareerSource North Florida maintains adequate insurance against general liability, as well as coverage for buildings, contents, computers, equipment, machinery, and other items of value.

Coverage Guidelines

As a guideline, CareerSource North Florida will arrange for the following types and levels of insurance as a minimum:

Type of Coverage	Amount of Coverage
Comprehensive Liability	\$1,000,000
Umbrella Liability	\$1,000,000–\$10,000,000
Automobiles for Employees, Volunteers, or Escorts	\$1,000,000
Employee dishonesty/bonding	\$1,000,000 for all Finance Department employees and the Executive Director
Fire and Water Damage	Coverage for all items with acquisition cost greater than \$1,000
Directors and Officers	\$1,000,000 (with an appropriate deductible level)
Theft	Coverage for all items with acquisition cost greater than \$1,000
Workers' Compensation	To the extent required by law (or contractual obligations of CSNF)

CareerSource North Florida shall maintain a detailed listing of all insurance policies in effect. This listing shall include the following information, at a minimum:

1. Description (type of insurance)
2. Agent and insurance company, including all contact information
3. Coverage and deductibles
4. Premium amounts and frequency of payment
5. Policy effective dates
6. Date(s) premiums paid and check numbers

Insurance Definitions

Workers' Compensation and Employer's Liability

Contractors are required to comply with applicable federal and state workers' compensation and occupational disease statutes. If occupational diseases are not compensated under those statutes,

they shall be covered under the employer's liability insurance policy, except when contract operations are so commingled that it would not be practical to require this coverage.

Fidelity Bond

For all personnel handling cash or preparing or signing checks, CareerSource North Florida shall obtain insurance that provides coverage in a blanket fidelity bond. The specific needs of CSNF will determine the dollar limit of this coverage.

Comprehensive Liability

This type of coverage may include directors, officers, and employee general liability insurance, buildings, contents, computers, boilers, and machinery.

RECORD RETENTION

Record Retention Policy

CareerSource North Florida retains records as required by law and destroys them when appropriate. All files shall be labeled with topic, year (if applicable), and destruction date. Electronic copies shall be saved in appropriate folders on the network storage device.

The destruction of records must be approved by the Executive Director and logged into CSNF's Destroyed Records Log. Review and purging of files may take place on an ongoing basis, but must occur at least once per year, and must follow the minimum retention requirements outlined below.

The destruction of any documents containing social security numbers or any other "consumer data" as defined under federal laws and regulations shall be done via shredding using an approved shredding service provider.

The formal records retention policy of CareerSource North Florida is as follows:

Record	Retention
Audit reports	Permanent
Correspondence – Legal and important matters	Permanent
Deeds, mortgages, and bills of sales	Permanent
Financial statements – Year-end	Permanent
General ledgers/year-end trial balance	Permanent
Minute books of directors, bylaws, and charters	Permanent
Retirement and pension records	Permanent
Tax returns and worksheets, examination reports and other documents relating to tax filings	Permanent
Trademark registrations and copyrights	Permanent
Accident reports/claims (settled Cases)	7 Years
Accounts payable ledgers and schedules	7 Years
Accounts receivable ledgers and schedules	7 Years
Contracts, mortgages, notes, and leases – expired	7 Years
Garnishments	7 Years
Insurance claims	7 years
Inventories of products, materials, and supplies	7 Years
Invoices (to customers, from contractors)	7 Years
Notes receivable ledgers and schedules	7 Years
Payroll records and summaries	7 Years
Personnel records (terminated)	7 Years
Property records (incl. depreciation schedules)	7 years
Purchase orders	7 Years
Sales records	7 Years
Subsidiary ledgers	7 Years
Timesheets/cards	7 Years
Withholding tax statements	7 Years
Bank statement & reconciliations	3 Years
Chart of accounts	3 years
Employment applications	3 Years
Insurance policies (expired)	3 Years
Internal audit reports	3 Years
Internal reports	3 Years
Correspondence – General	2 Years
Grant reports or grant related records (including participant files)	4 Years

Exception for Investigations

In connection with any ongoing or anticipated investigation into allegations of violations of federal laws or regulations, provisions of government awards, or violations of CSNF's Code of Conduct, the following exceptions are made to the preceding scheduled retention and/or destruction of records:

1. All records related to the subject of the investigation or allegation shall be exempt from any scheduled record destruction.
2. The term "records" shall also apply to any electronically stored record (e.g., documents stored on computers, email messages, etc.), which shall also be protected from destruction.

Protection of Records – Federal Matters

CareerSource North Florida prohibits the knowing destruction, alteration, mutilation, or concealment of any record, document, or tangible object with the intent to obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States government, or in relation to or contemplation of any such matter or case.

Violations of this policy will be considered violations of CSNF's Code of Ethics and subject to the investigative, reporting, and disclosure procedures described earlier in this Policy on Suspected Misconduct.