



Meeker-McLeod-Sibley
COMMUNITY HEALTH BOARD

BUDGET POLICY

Adopted: October, 2014

Revisions:

Background for Budget Policy:

The Meeker-McLeod-Sibley Community Health Board (MMS CHB) is a governmental entity that may pass federal grant funds to another entity. The second entity, known as the "sub-recipient" of the grant funds, may be another governmental entity (e.g., member counties, reservations) or a non-profit organization. In this situation, the original recipient of the funds (the Community Health Board) has a responsibility to monitor the sub-recipient to ensure the grant funds are being used for authorized purposes, and as required by the grant agreement and applicable regulations. These monitoring activities occur throughout the year and may take various forms

Regulation:

The Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, lists in subpart D the responsibilities of federal grant recipients who pass the funds on to others. OMB Circular A-133 can be found at:

<http://www.whitehouse.gov/omb/circulars/a133/a133.html#d>.

Part D:

Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes:

(i.) Identify Federal awards made by informing each sub-recipient of CFDA title and number, award name and number, award year, if the award is R&D, and name of Federal agency. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award. *CHB Response: Grant contract information and requirements are detailed in contracts between the CHB and sub-recipients*

(ii) Advise sub-recipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity. *CHB Response: Grant contract duties and requirements are detailed in contracts between the CHB and sub-recipients.*

(iii) Monitor the activities of sub-recipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. *CHB Response: See IV. a. b. & c. of the Budget Policy.*

(iv) Ensure that sub-recipients expending \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) or more in Federal awards during the sub-recipient's fiscal year have met the audit requirements of this part for that fiscal year. *CHB Response: CHB County sub-recipients also go through annual audits.*

(v) Issue a management decision on audit findings within six months after receipt of the sub-recipient's audit report and ensure that the sub-recipient takes appropriate and timely corrective action. *CHB Response: CHB receives copies of the counties' audits.*

(vi) Consider whether sub-recipient audits necessitate adjustment of the pass-through entity's own records.

(vii) Require each sub-recipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with this part.

MMS Community Health Board Budget Policy

- I. Budget Adoption:
 - a. Anticipated Budget allocations for the Public Health Programs/Grants presented to CHB for approval annually. These “budgets” include anticipated distribution of funding to the individual counties; participating agencies/organizations along with funding allocations/contributions designated to fund CHB administrative operating costs.
 - b. CHB Administrative line-item budget is presented to the CHB for approval annually.
 - c. Upon CHB approval, funding allocations and CHB administrative budget line items will be entered into the Integrated Financial System (IFS) by the McLeod County Auditor’s Office
 - d. Changes in Grant Funding Awards to counties are approved by the CHB at quarterly meetings.

- II. Budget Monitoring:
 - a. The CHS Director and the Public Health Directors from each of the counties monitor the budgets on an ongoing basis.
 - b. Quarterly budget to actual financial summary reports prepared by McLeod County Auditor are distributed to CHB members, CHS director and Public Health Directors of the counties.
 - c. Program expenses are viewed monthly by the CHS director, Public Health Directors and McLeod County Auditor.

- III. Budget Adjustments:
 - a. The Board authorizes spending within the department’s budgets on any line item within the CHB so long as their total budgets are not overspent. Adjustments are documented in IFS.
 - b. Unspent grant dollars may be redistributed to counties/other recipients (e.g., tribes) for their additional allowable expenses based on a per capita or percentage basis.
 - c. Eligible Grants will be allowed to carry forward their unspent balances into the next calendar/grant year budget.

- IV. Sub-recipient Monitoring Activities:
 - a. Review of Financial and performance reports submitted by the sub-recipient.
 1. The CHB staff reviews all financial and performance reports before submitting them to the funding agency. Quarterly financial reports are prepared for the CHB meetings quarterly also and are reviewed with county public health directors/supervisors.
 2. The CHB Director and McLeod County Auditor will stay in regular contact with sub-recipient financial staff
 - b. Perform site visits
 1. The CHS Director will visit each county yearly to review financial records.
 - c. Maintain regular contact with the sub-recipient and inquire about program activities.
 1. The CHS Director meets with the public health directors/supervisors to review financial and activity/performance reports on monthly basis.
 2. The CHS Director attends local and regional programmatic meetings throughout the year (e.g., Statewide Health Improvement Program (SHIP), WIC, Child and Teen Check-up (CTC), MCH/TANF Home Visiting, Regional Data Meeting, Public Health Preparedness meetings, Disease Protection and Control Team, Healthy Communities Leadership Team, Project Harmony, etc.)

- V. CHB Period of Availability of Revenue Recognition:
 1. The CHB recognizes 90 days as the period of availability for revenue recognition at end of each calendar year or according to grant fiscal years.

VI. Cash/Check Policy

It is the policy of the CHB not to accept cash. The CHB infrequently receives payment by check for various grant activities. The process for handling check payments are as follows:

- A. Finance/Information Specialist notifies the Director and then records the source and dollar amount on an internal tracking form. A copy if the check is made for CHB records.
- B. The check is then sent to the McLeod County Auditor-Treasurer's office with a memo that specifies into which grant account it is to be deposited.
- C. The Finance/Information Specialist further monitors the funds are correctly acknowledged in the Integrated Financial System.
- D. The Director reviews tracking form and also acknowledges receipt of money into IFS.