GENERAL FINANCIAL MANAGEMENT

It is expected that all delegate agencies will operate according to the generally accepted government auditing standards (GAGAS) and Subpart C of 45 CFR Part 74 or Subpart C of 45 CFR Part 92, as applicable.

All delegate agencies must have written policies and procedures for overall fiscal management of the program. These must be a delegate-, agency-, or county-specific policies. (Program Guidelines 6.3, p.7)

The agency's fiscal system must include a chart of accounts or other mechanism to distinguish CDPHE **Family Planning Title X** funds from other funds.

Title X and State Family Planning must be tracked separately from **Colorado Family Planning Initiative** (CFPI) funds.

Agencies must have **procedures** regarding the following financial functions:

- Purchasing / Procurement
- Cash **Management**
- **Collection and Documentation of Program Income**
- Time and Effort Reporting / Timesheets
- Travel
- Personnel Handbook
- Check signing / including authorized signers
- Method for allocating indirect expenses

Financial records must be maintained for seven years.

LIABILITY INSURANCE

All agencies must have a comprehensive liability insurance policy in place that covers all segments of the project funded under the Title X grant, including all personnel providing direct client services for all non-profit agencies.

Liability coverage should also be considered for members of the governing board.

Exact terms of coverage needed are included in the "General Provisions" section of the original contract.

(Program Guidelines 5.4, p.6)

CASH MANAGEMENT PROCEDURES

Delegate agencies must have cash management procedures that describe how cash that is received in the clinic is tracked and deposited. The procedures should address who handles the cash, how the cash is tracked and deposited, when the cash is tracked and deposited and where the cash is deposited.

The following is a sample accounting and cash management procedures.

SAMPLE ACCOUNTING AND CASH-MANAGEMENT PROCEDURES

Disbursement of funds: All funds shall be disbursed by order of the board of directors or its designee. The use and expenditure of agency funds shall be restricted to approved purposes as defined by the agency's annual budget.

Authorization to incur financial obligations: Only the board of directors or persons so designated by the board shall have authorization to incur financial obligations on behalf of the XXXX agency.

Chart of agency accounts: Financial recordkeeping of the agency shall use a standard, double-entry chart of accounts for the classification of all assets, liabilities, expenses, revenues, and other accounting transactions on a consistent basis.

Source documentation: Payment for goods, services, and expenses of the agency's operation shall be made from original invoices submitted for payment. Once paid, all invoices must be marked "Paid" and initialed to avoid duplicate payment. Properly completed, approved, and numbered purchase requisitions (or purchase orders) shall be used for non-routine expenses prior to actual disbursement of funds.

Separation of duties/responsibilities: The board of directors shall assure that there is proper division of responsibility and function among persons who receive, deposit, account for, and expend funds in order to minimize the potential for loss, the unauthorized use of, or unauthorized disposition of agency assets.

Financial-procedures manual: The board of directors shall insure that a financial-procedures manual is developed for the agency. The manual shall describe routine accounting procedures and practices of the agency. At a minimum, the manual shall provide for:

- **routine procedures for the daily collection, recording, and deposit of receipts**
- **the proper use of check registers, cash-receipts journals, payroll ledgers, monthly disbursement and collections summaries, and the general ledger**
- **proper operation of petty-cash account**
- **proper maintenance of individual customer accounts and records**
- **monthly bank-statement reconciliation procedures**
- **proper cross-referencing of all accounting transactions between journals, ledgers, and source documents.**

The procedures manual shall contain financial and accounting forms and documents used by the agency and instructions for how and when each form or document is used.

Disbursement of funds: All cash disbursements, including checks, automated clearing house (ACH) payments, wire transfers, bank drafts, etc., shall be evidenced by supporting documentation that is signed by two persons designated by the board of directors.

Cash receipts: All receipts shall be recorded in a cash-receipts journal then deposited daily intact. Deposits shall be made by a person other than the individual who records the receipts received. Cash receipts shall not be used to pay expenses of the agency nor to cash personal checks of employees or others.

<u>Petty-cash fund</u>: The board of directors may allow for the creation of a petty-cash fund, not to exceed $____________, for the purpose of making change for customer cash payments and small purchases of less than $____________. The petty-cash fund shall be subject to procedures for its operation which are contained in the financial-procedures manual. The petty-cash fund shall not be used to cash checks of employees or others.

<u>Capital assets</u>: Tangible personal property and/or equipment purchased and/or installed by the agency, having a per-unit acquisition cost greater than $____________ and useful life of ____________ months/years or more, will be logged into a "fixed-assets" inventory. Tangible property purchased by the agency that does not meet this definition will be considered "supplies." Procedures for cataloging and safeguarding fixed-asset and supply inventories shall be implemented by appropriate agency personnel.

<u>Monthly reporting</u>: In addition to financial reports, the board shall receive monthly billing information, including: total billing amount, number of customers, total gallons sold, total gallons produced, and similar relevant information.

<u>Financial-records retention</u>: All financial records, including original source documentation, purchase requisitions, cancelled checks, and bank statements, shall be retained by the agency for a period of least seven fiscal years prior to the current fiscal year, and/or as required by law.

SLIDING FEE SCALE

The agency's fee schedule (sliding fee scale) must be updated **and submitted** annually to the CDPHE Family Planning Program for approval prior to implementation. The fee schedule must be selected from **one of** the **models provided by CDPHE** (page **6** of this Section) and contain sufficient proportional increments so that inability to pay is not a barrier to services. The schedule must be developed using a cost analysis of all services, including clinical and laboratory services and supplies. Charges should be reasonable, fair, and equitable for all clients. The fee schedule must be designed to recover the reasonable cost of providing each service, including clinical and laboratory services and supplies. (Program Guidelines 6.3, p.7-8)

Family planning programs that are part of a hospital system or federally qualified health center that cannot set charges for their family planning program separately from the larger agency, may contact the Administrative Consultant for alternate options for setting charges.

Agencies may have a fee schedule that includes a usual, customary and reasonable (UCR) charge. This UCR charge is one that is used for high income, self-pay clients and third party payers. If an agency has a UCR charge, they still must have a sliding fee scale for clients at 0-250+% of the federal poverty level that complies with Title X requirements.

COST ANALYSIS

The cost analysis must use a relative value system to determine the cost per unit of service (based on CPT codes). Recognized relative values must be used. If the agency treats laboratory and supply/pharmaceutical costs separately from the relative value system, the agency must be able to describe how fees are established for these items. Costs for laboratory services and supplies may include reasonable estimates for purchase price plus ordering, keeping inventory, storing, and distributing the item. CDPHE reserves the right to request that the delegate agency submit additional documentation to justify the fee schedule, including work papers associated with the cost analysis. **Agencies** must perform a cost analysis at least every three years **or** sooner if significant changes have occurred effecting costs (for example: significant changes in staffing patterns, increases and decreases in supply costs). **The cost analysis must be submitted to CDPHE for review.** (Program Guidelines 6.3, p.7-8)

APPROVED FAMILY PLANNING SLIDING FEE SCALE MODELS

5 Code Model

Poverty Level	*Code*	*% of Full **reasonable cost***
<100%	1	0%
101-150%	2	25%
151-200%	3	50%
201-250%	4	75%
>250%	5	100%

6 Code Model

Poverty Level	*Code*	*% of Full **reasonable cost***
<100%	1	0%
101-150%	2	20%
151-185%	3	40%
186-220%	4	60%
221-250%	5	80%
>250%	6	100%

CHC (CICP) Model

Poverty Level	*Code – CICP Rating*	*% of Full **reasonable cost***
<100%	1 – Z, N, A, B, C	0%
101-117%	2 - D	10%
118-133%	3 - E	25%
134-159%	4 - F	40%
160-185%	5 - G	55%
186-200%	6 - H	70%
201-217%	7 - Ia	85%
218-235%	8 - Ib	90%
236-250%	9 - Ic	95%
>250%	10	100%

AGING OUTSTANDING ACCOUNTS

A method for the aging of outstanding accounts must be established. Aging is defined as writing off a client's outstanding balance after a certain defined period of time (CDPHE suggests 12-24 months). This policy must be in writing and must be agency-specific. Agencies should develop a methodology to write off overdue accounts either through their existing system or through some other internal mechanisms or software program. (Program Guidelines 6.3 (10), p.8)

USE OF PROGRAM REVENUE

All dollars received in client fees, cash donations and interest are considered grant-related income and, according to Title X guidelines, can only be expended for Title X efforts. [42 CFR 59.9]

DELEGATE AGENCY EXPENDITURE/REVENUE REPORT (ERR) INSTRUCTIONS

Introduction
The Expenditure / Revenue Report (ERR) is required to report expenditures and revenues for your agency's Family Planning Program. CDPHE uses this information to complete mandatory reports for federal, state and private funders.

Please email the electronic Excel document to the appropriate person if possible. You may also fax the report. One report is for the months of July through December; the second report is for the months of January through June. These reports will be due on dates specified by CDPHE.

Whenever possible, use financial data from your agency's accounting system and CDPHE invoices to prepare the ERR. Gathering the following source documents before preparing your ERR may help to streamline the process. Please enter only whole dollar amounts in the form.

1. **CDPHE invoice forms for the specified time period for your CDPHE women's health contracts, including: Federal Title X / State Family Planning, CFPI, CFPI sustainability (if applicable).**
2. **Documents from your accounting department or system that show your agency's entire Family Planning expenses and revenues for the specified time period. This information may be readily available on a profit and loss statement, general ledger report, or other cost accounting system report. Health care providers preparing this report may benefit by requesting assistance from an agency accountant or bookkeeper.**

All Family Planning Program expenditures and revenues are to be reported on an accrual basis (not cash). The ERR form and instructions will assist you in reporting on an accrual basis.

Family Planning expenditures and revenues directly related to funds received from the CDPHE-Women's Health Branch (Federal Title X / State Family Planning funds, and Colorado Family Planning Initiative funds) are to be reported in Column (A) – *CDPHE-WH Funding*.

Family planning expenditures and revenues directly related to funds received for family planning services from sources OTHER than the CDPHE Women's Health Branch are to be reported in Column (B) – Program – (Non –*CDPHE WH Funding*).

Column (C) – *Combined Total* is an auto calculated field that will sum expenditures and revenues from all funding sources contributing to your agency's Family Planning Program.

The ERR has been color coded. Fill in yellow cells as appropriate. Blue cells are password protected and will automatically calculate for you. Grey cells are not applicable at this time.

Step 1 - Identification

- ***Agency Name* – Enter the name of the agency submitting the report.**
- ***Period* - This report is required twice a year; for the period January 1 through June 30, and July 1 through December 31. Check the box next to the appropriate period and add the year.**

- ***Completed By and Phone #* – Enter the name and phone number of the person completing the report.**
- ***Date* – Enter the date the report was completed and submitted to CDPHE.**

Step 2 – Expenditures - Report all figures on the ERR in whole dollars without cents.

- ***Personal Services***
  - **Report the total salary and fringe benefit expenses for all family planning (FP) work during the period. Do not include time worked on other programs.**
- ***Contractual Services***
  - **Report expenditures made under contractual agreements and for non-employee services (such as contract physicians, nurses, etc.) during the period that are attributable to the family planning program.**
- ***Operating Expenses***
  - ***Equipment (Include any single item costing over $5,000)* – Report only family planning equipment expenditures where the cost of a single item is greater than $5,000 during the period. Equipment expenditures less than $5,000 should be reported under "A*ll other operating expenses".***
  - ***All other operating expenses* – Report the total direct operating expenditures for Family Planning Programs during the period. This may include: contraceptive methods, training, travel, laboratory testing, educational materials, clinical supplies, office supplies, advertising, office expense, etc. that were made during the period.**
- **Subtotal operating expenses – This is an automated calculation field and will equal the sum of the *Equipment over $5,000* and *All other operating expenses*.**
- ***Total Direct Costs* – This is an automated calculation field and will equal the sum of the total personal services, contractual services and operating expenses.**
- ***Indirect Costs* (CDPHE-WH funding) - Report all "overhead" costs for the period. This may include rent, utilities, telephone, administrative staff, payroll, accounting, etc. that are not charged directly to the family planning program under operating expenses above.**
- ***Administrative Costs (CFPI)* – Report the total administrative cost incurred during the period. *Maximum of 10% for CFPI Sustainability Grant direct expenses.***
- ***TOTAL EXPENDITURES -* This is an automated calculation field and will equal the total of all expenditures during the period.**
- ***In-Kind (donations)* - Report the fair market value of goods and services donated during the period. Do not include in-kind cost of items provided directly to your agency from the CDPHE Family Planning Program. This will be added by CDPHE staff.**
- ***TOTAL COSTS* - This is an automated calculation field and will equal the sum of *In-Kind (donations)* and *Total Expenditures*.**

Step 3 – Revenue by Funding Source - Report all figures on the ERR in whole dollars without cents.

This part of the form reports revenue generated during the ERR period. Please remember that when using the accrual method, revenue generated does not necessarily equal the amount of cash you brought in for the time period. The instructions below will help you determine how to report your revenue.

For calculating revenue on your CDPHE Women's Health contracts (and most other cost reimbursable contracts), it does not matter when you submit the CDPHE invoice or when your

agency was paid. As soon an allowable expense is incurred and included on a cost reimbursement form, it can also be considered revenue.

> **Example:**
> **County X paid for an allowable expense in June and included the expense in their June cost reimbursement. The June cost reimbursement statement was completed and submitted to CDPHE in July. CDPHE made payment to the agency in July.**
> **Under the above circumstance, the expense and revenue would be recorded in June and both would be included on the January - June ERR due August 16.**

The instructions below describe what your agency should report in each row of the revenue section.

Under the *"CDPHE – WH Funding"* Column A

- **CDPHE - Women's Health Title X Family Planning Contracts – Report the total amount of allowable expenses billed to CDPHE on your Title X / State Family Planning invoices covering the months of the reporting period.**
- **CDPHE - Women's Health Colorado Family Planning Initiative (CFPI) Contracts – Report the total amount of allowable expenses billed to CDPHE on your CFPI invoices covering the months of the reporting period. This includes expenses billed to the regular CFPI grant that covers methods, procedures and training as well as expenses billed to CFPI Sustainability Grants (for agencies who have sustainability grant funding).**
- **CDPHE – Chlamydia Testing Funds – If applicable, report on this line the total revenue reimbursement your agency received for the six months included in this time period from the CDPHE STI/HIV Section through your contract for Chlamydia tests. If your agency was given a credit at the State lab for Chlamydia tests, the amount of the credit that was spent would be listed below under In Kind (other donations). NOTE: Agencies using the CDPHE laboratory may receive credit for Chlamydia tests rather than funding in their family planning contract.**
- **In Kind (Other Donations) – Do not enter anything in this line. If the CDPHE Women's Health Unit provided in-kind items to your agency, we will track and fill the data in at CDPHE.**

Under the *"Family Planning Program – (Non-CDPHE WH – funding)"* column

> **IMPORTANT: The instructions below describe how to report your *Non-CDPHE WH – funding* on an accrual basis. This information is compiled for a federal report that requires accrual accounting. If your accounting system is unable to accommodate this, please contact CDPHE Family Planning Staff. In certain situations and depending on how your accounting system is setup, CDPHE WH may approve reporting your information in a slightly modified manner.**

- **Client Fees - Report the total amount that your agency received from clients for family planning services rendered during the reporting period.**
- **Client Donations - Report all family planning donations received from clients during the reporting period.**
- **Medicaid - Report family planning services billed to Medicaid for services rendered during the reporting period.**
- **State Children's Health Insurance (CHP+) – Report family planning services billed to CHP+ for services rendered during the reporting period.**

- **Local Government – Report funding provided by your county or city that supported family planning services during the reporting period. For many agencies, this number may be calculated by subtracting all other revenues from the Total Family Planning expenditures.**
- **In -Kind (Other Donations) - Report the fair market value of materials and services donated for family planning services during the reporting period. The In-Kind (Other Donations) combined total in the far column should match in kind expenses reported above.**
- **Other public health insurance – Report the total allowable expenses your agency billed other public health insurance such as Tricare, Champus, Champa, etc., for family planning services rendered during the reporting period.**
- **Private Health Insurance – Report the total allowable expenses your agency billed private health insurance for family planning services rendered during the reporting period.**
- **Temporary Assistance for Needy Families (TANF) – Report any funding received from TANF for family planning services rendered during the reporting period.**
- **Other – Use the lines below to report and identify any other sources of revenue for family planning services rendered during the reporting period. Be sure to specify the source.**
- ***TOTAL* – This is an auto calculation field and will equal the sum of all revenues.**
- **Unspent funds – The Excel spreadsheet calculates unspent funds this period based by subtracting your reported expenses from your reported revenue. In Column A, your Unspent Funds should always equal 0. If you have unspent funds from this period in column B, list them on the first line. If you have unspent funds carried from another period in column B, show them on the next line. If you use carry over from another period to pay expenditures in this period, indicate a minus on this line.**

Step 4 – Equipment

- **Indicate if your agency used Title X funds to purchase a single piece of equipment valued at more than $5,000 during this time period. If the answer is yes, your agency must have separate documentation of the equipment that was purchased with Title X funding. For more information, see the "Policy on Purchase of Equipment by Delegate Agencies" in the Administrative Manual, Section 2.5 - Financial Management.**

The following is a sample of an Expenditure/Revenue Report. This most current version of the form can be downloaded from the CDPHE Family Planning Program website under **"fiscal forms"** at: ***http://www.colorado.gov/cs/Satellite/CDPHE-PSD/CBON/1251618366665***

ERR Form Updated 07/30/12

COLORADO DEPARTMENT of PUBLIC HEALTH and ENVIRONMENT
FAMILY PLANNING EXPENDITURE / REVENUE REPORT

AGENCY NAME:
PERIOD: ☐ **January 1 - June 30, _____** ☐ **July 1 - December 31, _____**
COMPLETED BY AND PHONE#: | **DATE:**

EXPENDITURES

NOTE: Your expenditures in the **CDPHE-WHU Funding** column should be based on (and match) the total billed in the Jan 2012 - June 2012 cost reimbursement forms.

	Column (A)	Column (B)	Column (C)
	CDPHE WH Funding (Federal Title X, State, & CFPI)	Family Planning Program - (Non-CDPHE WH funding)	Combined Total
Personal Services (salary and fringe)	$ -	$ -	$ -
Contractual Services	$ -	$ -	$ -
Operating Expenses			
Equipment (only include single items costing > $5,000)	$ -	$ -	$ -
All other operating expenses	$ -	$ -	$ -
Subtotal Operating Expenses	$ -	$ -	$ -
Total Direct Costs	$ -	$ -	$ -
Indirect Costs	$ -	$ -	$ -
Administrative Costs (CFPI) - (maximum 10% CFPI Sustainability)	-	-	-
TOTAL EXPENDITURES	$ -	$ -	$ -
In-kind (donations)	$ -	$ -	$ -
TOTAL COSTS	$ -	$ -	$ -

REVENUE BY FUNDING SOURCE

NOTE: Your revenue in the **CDPHE-WHU Funding** column should be based on (and match) the total billed in the Jan 2012 - June 2012 cost imbursement forms.

	CDPHE WH Funding	Family Planning Program - (Non-CDPHE WH- funding)	Combined Total
CDPHE - Women's Health Title X / State Family Planning Contracts	$ -		$ -
CDPHE - Women's Health Colorado Family Planning Initiative Contracts	$ -		$ -
CDPHE -Chlamydia Testing Funds		-	$ -
Client fees		-	$ -
Client donations		-	$ -
Medicaid		-	$ -
State Children's Health Ins (CHP+)		-	$ -
Local government-County and City grants and contracts		-	$ -
**In-kind (Other Donations, Volunteers))		-	$ -
Other public health insurance (TRICARE/CHAMPUS, CHAMPA)		-	$ -
Private health insurance		-	$ -
Temporary Assistance for Needy Families (TANF)		-	$ -
Other (specify below revenue such as private grants, fundraising, MCH, Social Service Blockgrant, Medicare, WWC, etc)		-	$ -
Other 1:		-	$ -
Other 2:		-	$ -
Other 3:		-	$ -
TOTAL	$ -	$ -	$ -
Unspent Funds - This Period (Note: The CDPHE WH Funding column should be 0.)	$ -	$ -	$ -
Unspent Funds - Prior Periods (Note: The CDPHE WH Funding column should be 0.)	-	-	-

Has your agency used Title X funds to purchase any single piece of equipment valued at $5,000 during this period? __ Yes __ No

IMPORTANT: PLEASE ENTER ALL AMOUNTS INTO THIS FORM AS WHOLE DOLLARS. DO NOT INCLUDE ANY CENTS ON THIS REPORT.

Email your completed Excel file to Lynne Swanson at lynne.swanson@state.co.us by the end of the day August 16, 2012.

Contact Lynne Swanson at lynne.swanson@state.co.us or (303) 692-2433 with any questions about the ERR forms and requirements.

TIME AND EFFORT

The U.S. Office of Management and Budget (OMB) Circulars A-87 and A-122 establish standards and principles for determining cost for Federal Awards through grants, cost reimbursement contracts, and other agreements.

Employees that are working only on single Federal Award:

- charges will be supported by periodic certifications, prepared at least semi-annually, and signed by the employee and supervisor.

Employees that are working on multiple activities or funding:

- distribution of salaries and wages will be supported by personnel activity report or equivalent documentation (i.e., timesheet, activity report, time and effort),
- or any kind of documentation that will reflect an after the fact distribution of the actual activity of the employee,
- must account for the total activity for which employee is compensated,
- must be prepared at least monthly and must coincide with one or more pay periods,
- must be signed by the employee and approved by his/her supervisor.

Multiple activities or funding means more than one Federal Award, or one Federal Award and a non-Federal Award. The key is at least one Federal Award is included in the allocation. Time and effort worked on Title X and the Colorado Family Planning Initiative (CFPI) must be tracked separately, because the funding is from two different contracts and is billed to CDPHE separately.

POLICY ON PURCHASE OF EQUIPMENT BY DELEGATE AGENCIES

Title X program guidelines (6.3, p.7) require that delegate agencies maintain a financial management system that meets the standards specified in Subpart C of Code of Federal Regulations (CFR), 45 CFR 74 (institutions of higher education, hospitals, other nonprofit organizations, and commercial organizations) or 45 CFR 92 (state and local governments), as applicable. These regulations include the requirements for purchases of equipment.

<u>Equipment is defined as an item having a useful life of more than one year and an acquisition cost of $5000 or more per unit.</u> [45 CFR 74.2 and 45 CFR 92.3]

The requirements are described in 45 CFR 74.34 and 45 CFR 92.32. This includes the obligation to maintain property records that include a description of the property, a serial number or other identification number, the source of property including the award number, who holds the title, the acquisition date and cost of property, the percentage of Federal participation in the cost of the property, the location, use and condition of property, and any ultimate disposition data including the date of disposal and sale price of the property.

Inventory of equipment must be taken and reconciled every two years.

Each delegate agency should review the CFR that is appropriate for their agency type (nonprofit or local government). Copies may be requested from the CDPHE Family Planning Program.

AGREEMENTS FOR SUBCONTRACTED SERVICES

If a delegate agency provides Title X services by referring clients to another provider (in other words, through a subcontractor), a written agreement (for example, Memorandum of Understanding [MOU] or contract) must be in place with the referral provider. This agreement must incorporate a mechanism for **payment or** reimbursing the referral provider (Program Guidelines 7.4, p.16). It also must include what can and cannot be charged to the client, including specifying fiscal responsibility for unexpected follow-up/complications. The agency is encouraged to include a follow up appointment with the referral provider following contraceptive procedures as part of the negotiated price in the MOU. Agencies must ensure that the billing and collection of client fees for these services follow Title X requirements. Agreements must be kept on file and closely monitored to ensure deliverables are met.

The services or activities under the family planning program contract may be carried out by the delegate agency or through subcontracts with other providers or through collaborative partnerships with other community partners. The delegate agency is authorized to subcontract some, or all, or the services that are to be performed under the family planning contract. However, a subcontractor is subject to all of the terms and conditions of the family planning contract. Additionally, the delegate agency remains ultimately responsible for the timely and satisfactory completion of all work performed by any subcontractor(s) under the family planning contract. The delegate agency shall maintain, at a minimum, a Memorandum of Understanding or other binding contractual agreement. The delegate agency shall provide a list of all current family planning subcontractors to the Family Planning **Unit Manager** within 15 days of executing the contract and any new subcontractors at least 15 calendar days prior to an agreement being executed. The delegate agency shall maintain records of any subcontractors for a minimum of three years.

It is each delegate agency's responsibility to ensure that the sub-contracts or MOUs are reviewed by their **own** legal counsel.

A good practice for subcontracting is to ensure that an agreement is signed by both parties. In addition, it should outline the specific roles and responsibilities of each party **and ensure that all** financial obligations are defined and other terms/conditions are included.

Statements of Work (SOW) incorporated in the agreement should include at minimum the following elements:

- General description of project
- Definitions
- Deliverables (goods/services)
- Personnel
- Testing and acceptance criteria
- Payment

In addition, the policies and procedures for referring Title X services must be in writing (Program Guidelines 7.4, p.16).

PURCHASING OF PHARMACEUTICALS

All Title X delegate agencies are considered “covered entities” under the 340B Drug Pricing Program. This Outpatient Discount Drug Pricing was created under Section 340B of the Public Health Service Act, and amended by Section 602 of the Veteran’s Health Care Act of 1992. Family Planning is one of the types of entities eligible to participate in the 340B Drug Pricing. For more information on this program, go to: http://www.hrsa.gov/opa/

In addition, all Title X agencies are enrolled in the 340B Prime Vendor Program. This program offers deeper discounts on some pharmaceuticals commonly used in the family planning setting. Access to Prime Vendor pricing is through a participating wholesaler, such as R&S Northeast, Cardinal McKesson, etc. For more information on this program, go to: https://www.340bpvp.com/controller.html

Agencies are not required to purchase from any specific vendor, but should be sure to access the best pricing available. In some instances this will be through the Prime Vendor Program (e.g., purchasing NuvaRing and **Nexplanon** is least expensive through the Prime Vendor Program), in other instances it may be through the manufacturer (Ortho oral contraceptives are least expensive direct from the manufacturer).

Each agency is eligible for membership in the Family Planning Cooperative Purchasing Program (FPCPP) based out of the California Family Health Council in Los Angeles for a fee. If you need information on how to become a member, please contact the FPCPP staff: The information is also on their web site (www.fpcpp.org). The vendors tab lists the participating vendors.

The Family Planning Cooperative Purchasing Program, The Cooperative Purchasing Network
Phone: (213) 386-5614 ext. 4587

Kristelle Cruz, Coordinator, Cooperative Programs: same phone number as noted above. Email address: cruzk@cfhc.org

If agencies have negotiated better prices, or if agencies have a vendor source that offers better prices than the prices through any of the above programs, then it is recommended that agencies access those better prices. The CDPHE Family Planning Program no longer has state specific agreements with any vendors.

It is also important to note that drugs purchased at 340B or 340B Prime Vendor prices must only be administered/dispensed to clients with whom agencies have a chart and a provider/patient relationship.

Drugs for individuals who are not established clients of the agency, such as for expedited partner therapy (EPT), should be dispensed from separate stock that is not purchased at 340B discount prices.

Contact the CDPHE Family Planning **Nurse** Consultant at 303-692-2486 for more information.

INVENTORY CONTROLS

All agencies must have an inventory system to control purchase, use, reordering of medications and supplies. [45 CFR 74.21; 45 CFR 92.20]

* Refer to Section 1.8 - Pharmaceuticals, pages 1-2 in the Nursing Manual for more information on Pharmaceutical inventory control.

INVOICING CDPHE FOR COST REIMBURSEMENT

General **Invoicing** Information
Agencies may only **invoice** CDPHE for items listed in the agency's approved budget. Agencies will **invoice CDPHE** by submitting a **Standardized Invoice** Form.

Agencies may request a budget revision if there are changes and the agency needs to realign their approved budget.

The standardized invoice form can be found at:
http://www.colorado.gov/cs/Satellite/CDPHE-Main/CBON/1251622941228

Invoice instructions specific to family planning and budget revision forms and can be found at:
http://www.colorado.gov/cs/Satellite/CDPHE-PSD/CBON/1251618366665

Agencies are **not** required to submit cost ledgers with their monthly invoices. Receipts, invoices, time sheets and other relevant back-up documentation must be available upon request or at a site visit.

Approved Agency Budgets
A copy of each delegate agency's original approved budget will be included in the agency's contract.

If an agency revises their budget, the agency will need to base spending (and **invoices** to CDPHE) on the latest approved budget and make sure all parties at the agency are informed of the revision.

Agency Contracts
Each agency's contract has a specified project period. If the project ends June 29, **2013**, the agency CANNOT bill CDPHE for an expense incurred on June 30, **2013**. These expenses would need to be **invoiced** to the next year's contract.

Contracts are cost reimbursable. This means that agencies can **invoice** CDPHE only for costs that have been incurred and paid for or accrued.

Contracts require that agencies submit monthly **invoice** forms within 60 days of the end of the month.

Contracting with the State of Colorado
Per each delegate agency's contract with the State of Colorado, agencies are required to be in compliance with state and federal contracting rules and regulations. These include the following OMB Circulars.

- A-87 Cost Principles for State, Local and Indian Tribal Governments
- A-102 Uniform Administrative Requirements for Grants and Agreements with State and Local Governments (Common Rule)
- A-133 Audits of States, Local Governments and Non-Profit Organizations

Some other legislation that agencies are required to comply with:

- Hatch Act - Prohibits use of federal funds for partisan political purposes of any kind. (5 U.S.C. 1501-1508 and Public Law 95-454, Section 4728)
- Davis-Bacon Act - Fair wages in accordance with local market conditions for laborers and mechanics employed by contractors and subcontractors. 40 U.S.C. 276A – 276A-5

- Nondiscrimination on basis of race, color, national origin, age or disability (42 U.S.C. 6101 *et seq.*, 42 U.S.C. 2000d and U.S.C. 794)
- Americans with Disabilities Act
- Uniform Relocation Assistance and Real Property Acquisition Act
- Federal Acquisition Streamlining Act of 1994 - Prohibits use of federal money to lobby the legislative body of a political subdivision of a State. (Section 2101, Public Law 103-355)
- Health Insurance Portability and Accountability Act of 1996 (HIPAA) - Must comply if your agency is a covered entity. (42 U.S.C. 1320d – 1320d-8)

Audit Requirements
All agencies should have an annual audit performed by auditors meeting established criteria for qualifications and independence. (Program Guidelines 6.3, p.8)

If agency expends >$500,000 in federal funds in a fiscal year:

- A-133 annual audit required

If agency expends >$500,000 in State funds in a fiscal year:

- Submit a copy of audit report to State Internal Audit Office within 30 calendar days of receipt, or 9 months of end of fiscal year (whichever is earlier)
- Take corrective action within 6 months of report to address any noncompliance