



FISCAL POLICIES & PROCEDURES

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POLICY

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I. FINANCIAL PHILOSOPHY

The purpose of financial management in the operation of all POP's Passion dba Charlotte Champions For Life activities is to fulfill the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, including clients, partners, funders, employees and the community. As a result, POP's Passion dba Charlotte Champions For Life commits to providing accurate and complete financial data for internal and external use by the Board of Directors, Executive Director and staff.

II. AUTHORITY

- A. The POP's Passion Board of Directors has ultimate responsibility for the financial management of all activities.
- B. The Treasurer is authorized to act on the Board's behalf regarding financial matters when action is required in advance of a meeting of the Board.
- C. The Executive Director is responsible for the day-to-day financial management of the organization. The Board authorizes the Executive Director to hire and supervise staff and independent consultants, pay bills, receive funds and maintain bank accounts, among other financial duties.
- D. The Executive Director is authorized to sign checks up to \$2,500. Checks for amounts greater than \$2,500 shall require an additional signature by the Treasurer or designated staff/board member.
- E. The Executive Director is authorized to enter into contracts for activities that have been approved by the Board as part of program budgets or strategic plans. The Board of Directors shall authorize any contracts outside of these parameters and all contracts with a financial value greater than \$50,000.
- F. The Executive Director is authorized to manage expenses within the parameters of the overall approved budget, reporting to the Finance Committee/Board on variances and the reason for these variances.
- G. The Board of Directors shall approve any use of any board-designated cash reserve fund.

III. ACCOUNTING PROCEDURES

POP's Passion dba Charlotte Champions For Life accounting procedures shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards. POP's Passion dba Charlotte Champions For Life will use the accrual basis of accounting whereby revenue and expenses are recorded as incurred. The fiscal year shall be January 1 – December 31.

IV. BUDGET

In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with board-approved priorities and organization goals, the:

- A. Board of Directors must approve budget changes that exceed 30% of the line item.
- B. Executive Director shall submit operating and capital budgets to the Finance Committee in time for reasonable approval by the Board prior to each fiscal year, using responsible assumptions and projections as background with the general goal of an unrestricted surplus.
- C. The Budget shall be approved within one month of the start of the new fiscal year or, by board vote, one month after the end of the previous fiscal year.

V. CONFLICT OF INTEREST

All employees and members of the Board of Directors are expected to use good judgment, to adhere to high ethical standards and to act in such a manner as to avoid any actual or potential conflict of interest. A conflict of interest occurs when the personal, professional or business interests of an employee or Board member conflict with the interests of the organization. No employee, officer or agent shall participate in the selection, award or administration of a contract if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, agent or any member of his or her immediate family, his or her 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 firm selected for an award. Conflicts of interest should be declared annually. Meanwhile, both the fact and appearance of a conflict of interest should be avoided.

VI. FINANCIAL REPORTS

POP's Passion dba Charlotte Champions For Life shall prepare regular financial reports on a monthly basis for review by the Treasurer and/or Finance Committee. All reports are to be finalized no later than 30 days after the close of the prior month with presentation to the Board no less than a quarterly basis and at every board meeting.

VII. PHYSICAL SECURITY

POP's Passion dba Charlotte Champions For Life shall maintain physical security of its assets to ensure that only people who are authorized have physical or indirect access to money, securities, real estate and other valuable property.

VIII. RESPONSIBILITIES

The TREASURER shall:

- A. Conduct a review of POP's Passion dba Charlotte Champions For Life bank accounts, bank statements and bills on a regular basis in conjunction with the Executive Director or designated financial staff person.
- B. Serve as chairperson of the Finance Committee with responsibility for producing a budget in a timely fashion before the start of a new fiscal year.
- C. Insure that an audit is conducted on a regular basis and review the audit findings in conjunction with the Executive Director and/or Financial Manager.
- D. Annually review the organization's 990 Form.
- E. Maintain check-signing authority on all accounts.

The EXECUTIVE DIRECTOR shall:

- A. Report the financial results of POP's Passion dba Charlotte Champions For Life operations to the board a minimum of quarterly and/or at each board meeting.
- B. Pay all obligations and file required reports in a timely manner.
- C. Make no contractual commitment for bank loans, corporate credit cards, or for real estate leases/purchases without approval of the Board.
- D. Record fixed assets with purchase prices greater than \$500 as capital assets in accounting records. Depreciation of capital assets will not exceed five years for furniture and equipment or three years for computer and other technology equipment.
- E. Limit vendor credit accounts to prudent and necessary levels.
- F. Obtain competitive bids for items or services costing in excess of \$50,000 per unit. Selection will be based on cost, service, and other elements of the contract.

- G. Inform the Treasurer, Chairman and/or Board of any potentially negative impacts or developments related to meeting financial goals as soon as possible.
- H. Be responsible for the legal and appropriate expenditure of funds received and/or hire financial employee(s) to delegate said authority
- I. Maintain compliance with reporting requirements based on fund-er requirements to include reports, records and other information.

The BOARD OF DIRECTORS shall:

- A. Review financial reports at each board meeting.
- B. Provide adequate training to members to enable each member to fulfill his or her financial oversight role.
- C. Ensure that the Executive Director or his/her designee carries out the financial responsibilities as outlined in this document.

IX. SEGREGATION OF DUTIES

POP's Passion dba Charlotte Champions For Life financial duties are to be distributed among multiple people to help ensure protection from fraud and error. This distribution of duties must aim for maximum protection of the organization's assets while also considering operational efficiency.

- A. The Exec. Dir./Program Director and/or the Administrative Director makes purchases for goods and services using a debit card linked to POP's Passion dba Charlotte Champions For Life's bank account or by obtaining a vendor invoice.
- B. Before the Administrative Director submits a request for reimbursement, the Exec. Dir./Program Director and/or Treasurer approves all debit card purchases of goods and services; the Exec Dir/Prog Dir will submit approved receipts for debit card purchases to the Administrative Director; the Exec. Dir./Prog Dir and/or Treasurer authorize all invoices for payment.
- C. The Administrative Director maintains custody of paper checks and manages the online banking function. The Administrative Director pays all invoices approved by the Exec. Dir/Prog Dir and/or Treasurer. The Administrative Director makes all bank deposits.
- D. The Financial Consultant and/or Administrative Director is responsible for inputting receipt and expenditure activity into the accounting software—or insuring it has been automatically uploaded correctly—and reconciling it to the bank statement.

X. GRANT FUNDS

The increasing application of reimbursement grants requires POP's Passion dba Charlotte Champions For Life to maintain accurate, current and complete reporting of the use of all grant funds in accordance with fund-er, local, state and federal accounting and reporting requirements. This will include:

- A. Comparing actual outlays with approved budget grants.
- B. Making grant expenditures in adherence to approved budgets.
- C. Maintaining source documents to support accounting records.
- D. Maintaining separate program budgets in the QuickBooks accounting software program.
- E. Being prepared for monitoring visits.
- F. If required, maintaining Fidelity Bond insurance to cover all employees with direct access to grant funds and for amounts equal to the largest anticipated drawdown.
- G. Keeping accounting records and source documentation separate by class, as well as actual physical documents, for individual grants/programs.

FINANCIAL PROCEDURES

A. ACCRUAL PROCESS

POP's Passion dba Charlotte Champions For Life will use the accrual basis of accounting whereby revenue and expenses are identified and recorded as incurred. Procedures will include:

1. The accounting books will be reconciled no more than one month after the close of the previous month. Invoices received after closing the books will be counted as a current-month expense.
2. This rule will be suspended at the close of the fiscal year when all expenses that should be accrued in to the prior fiscal year will be recorded to ensure that year-end financial statements reflect all expenses incurred during the fiscal year. Year-end books will be closed no later than 90 days after the end of the fiscal year.
3. Revenue will always be recorded in the month in which it was earned or pledged.
4. The designated financial officer(s) will record general ledger entries weekly based on the previous week's debits, checks and deposits in the QuickBooks accounting program.
5. General ledger entries must include accompanying Class designations to keep program financials separate.

B. BANK RECONCILIATION

All bank statements will be opened and reviewed in a timely manner. Bank reconciliation and approval will occur within 30 days after the close of the month.

1. All bank statements and canceled checks will be opened, reviewed and initialed by the Administrative Director.
2. The Executive Director will review and approve reconciliation.
3. The monthly statement and QuickBooks general ledger will then be sent to the Financial Consultant/Accountant via email or by remote desktop for reconciliation to close the books for the month.
4. Financial records will be kept in a locked file cabinet and/or a password-protected computer document. Bank statements also may be accessed online with password protection.

C. SEGREGATION OF DUTIES & PHYSICAL SECURITY

Protection against theft or financial fraud is of primary importance to ensure the continued operation of POP's Passion dba Charlotte Champions For Life and protection of the agency's assets. These needs, however, must be tempered against the limited number of POP's Passion dba Charlotte Champions For Life staff. The agency shall maintain physical security of its assets to ensure that only authorized people have physical or indirect access.

1. The Executive Director or Administrative Director shall open all mail, bills and statements.
2. Receipts, reimbursements and payments should be stapled to an invoice, signed by the person submitting the invoice, signed by a supervisor or Financial staff person and stored in the appropriate program binder.
3. Checks that require a two-person process of \$10,000 or more will involve the Administrative Director and Executive Director/Treasurer to a) write the check and b) sign the check, with oversight and/or reconciliation by the Treasurer and outside Financial Consultant.
4. Payroll records, checks, credit cards, bills and statements are to be kept in locked file

cabinets or drawers.

5. Credit/debit cards should be signed out and in showing the date and time, item purchased and amount, and person with the card on a financial log whenever used by staff (with the exception of the card assigned to the Executive Director or whomever she/he may designate). Invoices and accompanying receipts should be turned in within 24 hours to document any purchases.
6. The Executive Director, Administrative Director, Treasurer and outside Financial Consultant will have access to online bank accounts, other accounts and the accounting software program with the accompanying passwords. Passwords should be reviewed and changed whenever there is a change in personnel.

D. REVENUE & DONATIONS RECEIPT

POP's Passion dba Charlotte Champions For Life shall at all times give preference to direct electronic transfers into the agency's checking account for regular payments from fund-er, granters, government agencies, etc. Online payments or money orders will be the preferred method of payment from clients. Cash payments will be allowed—but not encouraged--for relatively small amounts such as late or transportation fees.

1. Program revenue shall be entered in the accounting software program within one week of receipt of funds into the checking account. When checks or money orders are received, copies shall be made and placed in the applicable program binder.
2. Deposit slips will be completed in duplicate or copies made.
3. Checks, cash and the deposit books shall be kept in a locked filed cabinet or desk drawer and deposits made within 2-3 business days.
4. Clients shall be directed to the desktop computer in the POP's Passion dba Charlotte Champions For Life office to make online payments and assisted, if needed.
5. Donation and in-kind acknowledgment letters shall be sent within one week of receipt of funds/items/services with the applicable IRS language at the bottom of the letter.
6. In-Kind donations shall be based on the market value of the goods or services provided. Volunteer time will be based on the Independent Sector or United Way's North Carolina volunteer rate that may be found on the Internet.

E. EXPENDITURES & REIMBURSEMENTS & INVOICE APPROVALS

ALL financial transactions must be accompanied by an invoice with the appropriate signatures, receipts, invoices and/or bank statements.

1. Expenditures and reimbursements shall be documented on a POP's Passion dba Charlotte Champions For Life invoice (with tax listed separately) with the receipt attached and signed by the person submitting the invoice.
2. Invoices and the attached source documents shall be coded by the respective program's budget line item number so that a clear trail exists between the accounting software and the documents.
3. A second signature must be on the invoice by the immediate supervisor, Administrative Director or Executive Director.
4. The physical copy of the expenditure/reimbursement and attached invoice must be placed in the applicable program binder.
5. The desired method of payment is either by debit/credit card or by reimbursement to maintain an electronic record. If checks are required, the Administrative Director and Executive Director will a) write the check, b) enter the check in the accounting program and c) sign the check, with oversight and/or reconciliation by the Treasurer and outside

Financial Consultant.

F. PETTY CASH & CASH ADVANCES

NO PETTY CASH SHALL BE MAINTAINED ON SITE OVER 24 HOURS AND MAY NOT BE USED TO CONDUCT BUSINESS. DEBIT/CREDIT CARDS WILL BE USED FOR PURCHASES OF ANY AMOUNT AND/OR EMPLOYEES WILL BE REIMBURSED.

On a limited basis, salary advances may be issued as determined by the Executive Director or Administrative Director. No more than two advances shall be provided to any one employee during a 12-month period.

G. CHECK SIGNATURES & PROCESSING

As electronic payments become increasingly more common, check usage is expected to decrease. Meanwhile, the following guidelines shall be used for check issuance.

1. The Treasurer and Executive Director (and other approved staff such as the Administrative Director) shall have signing authority.
2. Checks over \$10,000 shall require two signatures.
3. The names of staff or board members no longer associated with the agency shall be removed from signatory authority within one month of their departure.
4. ALL checks for deposit are to be endorsed on the back "For Deposit Only."
5. Checks shall be written once a week on a designated day with allowances made for emergency instances.
6. Voided checks will have "VOID" written boldly in ink on the face and/or shredded.

H. MILEAGE & LODGING EXPENSES

POP's Passion dba Charlotte Champions For Life's per diem rate for lodging, food and travel expenses, as well as the mileage reimbursement rate, shall be directly linked to the latest annual rates published by the U.S. General Services Administration for the state of North Carolina.

I. FISCAL MANAGEMENT CONTINUITY

In the event that the main officers/staff members involved in POP's Passion dba Charlotte Champions For Life's fiscal management and operations are not available for a prolonged period of time or due to turnover, the following guidelines shall be followed.

1. If the Executive Director is not available, the Treasurer (or Administrative Director or Financial Consultant) shall serve in the Executive Director's fiscal role.
2. If the Treasurer is not available, the Board Chair (or other designated board member) shall serve in the Treasurer's role.
3. If the Administrative Director is not available, the Financial Consultant shall serve in the staff person's role or the Treasurer.
4. If a staff person/officer with direct access to passwords or signature authority leaves the employment of the agency, fiscal passwords and signature authority for online accounts shall be changed as soon as possible.

J. GRANT FISCAL PROCEDURES

POP's Passion dba Charlotte Champions For Life is responsible for administering all grants in an efficient and effective manner in compliance with all applicable regulations and statutes.

General procedures governing the use of grant funds are as follows:

1. Maintenance of budget and project management plan during the Project.
2. Fiscal reporting via monthly progress reports.
3. Timely Processing of payments, bookkeeping and record keeping.
4. Conformance of program activities to those stipulated in the grant application, grant agreement and this fiscal manual.
5. Attendance at workshops and meetings related to the project, including the project implementation meeting;
6. Compliance with state and federal requirements related to the project;
7. Assisting in project monitoring and prompt preparation of responses to monitoring letters
8. Assurance that all fiscal requirements of the Grant Agreement and Funding Approval are completed.
9. All grant documents and records shall be maintained for a minimum of three years PLUS the current operating year before being disposed of, or shall be maintained until all litigation or audit investigations are complete, if applicable.

See attached Appendix A for generally allowed and prohibited expenses, subject to individual grant program rules and guidelines.

K. PAYROLL/COMPENSATION

All employees, exempt and non-exempt, are required to record time worked (PTO and holidays where applicable for full-time employees) for payroll, benefits tracking and cost allocation. The following fiscal management payroll procedures will be used:

1. Employees will maintain online daily time sheet hours and submit online timesheets for the month on the last day of the month (or other date as required.)
2. The Executive Director or direct supervisor will review the timesheet and, if approved, sign and submit to the Administrative Director within 24 business hours. If not approved, the supervisor will return the timesheet to the employee for correction.
3. The Administrative Director will enter the payroll hours and PTO balances and submit a compiled payroll sheet to the Executive Director for review. The Administrative Director also will make note of any employees to be added or removed from the payroll, as well as any other changes.
4. The Administrative Director or Executive Director will transmit the compiled payroll sheet to the payroll company at least two-three business days prior to the pay date.
5. The payroll company will process and send the draft payroll back to the Administrative or Executive Director for the final okay to process. Such approval will be transmitted by email or phone.
6. Monthly payroll will be processed on the 15th and 20th of the month—or the closest Friday or Monday if payroll falls on a weekend.
7. All payroll payments will be made by direct deposit to checking accounts. (Manual checks may infrequently be written for special instances, but all taxes will continue to be processed by the payroll company).
8. The Administrative Director will provide employees with instructions for accessing payroll stubs online.
9. Payroll records will be kept in payroll binders in a locked filed cabinet.
10. In the event of a termination or resignation, payroll will be based on the number of days worked during the month and the pro-rated number of PTO days available for full-time

staff. The final paycheck will be processed in the immediate payroll following the termination/resignation.

L. TAX COMPLIANCE & AUDIT

POP's Passion dba Charlotte Champions For Life shall preferably have an audit conducted every year, or at a minimum once every other year. The federal Form 990 shall be filed annually and quarterly 941 forms (federal taxes for employees) shall be filed at a minimum of quarterly or bi-weekly if required. Note that:

1. The audit and Form 990 shall be conducted by a licensed CPA firm. A review of the CPA firm and bids for a new firm is recommended every five years.
2. The quarterly 941 forms may be prepared and submitted by the payroll company with the understanding that POP's Passion dba Charlotte Champions For Life maintains responsibility for the accuracy of such reports.
3. The Treasurer, Executive Director and Administrative Director shall serve as staff/board liaison to the audit firm and payroll company.
4. The final audit and 990 shall be presented to the Board of Directors for its vote of approval upon completion.
5. Employee W-2's and consultant 1099's shall be provided to employees and consultants by January 31st of each year.

M. PURCHASES & PROCUREMENT

Any expenditure in excess of \$500 for the purchases of a single item should have bids from three (3) suppliers if possible. These bids will be reviewed by the Exec Dir/Prog Director and the bid award must be specifically approved in advance by the Exec Dir/Prog Dir and Administrative Director.

The Following Procedures Will Be Adhered To:

1. For purchases of \$199 or less, verbal or written price or rate quotations shall be obtained for an adequate number of qualified sources to ensure that the selection process is competitive. A documented web search also will satisfy this requirement. Awareness of the reasonable market price for the item must be exercised.
2. For purchases of \$200 or more, a minimum of three written quotations shall be obtained from qualified sources. Awareness of the reasonable market price for the item must be exercised. Where approved supplies have been established, these are to be used.
3. Documentation of bids and verbal or written price/rate quotations shall be filed with the invoice.

N. CASH & EQUIPMENT MANAGEMENT

Cash

All cash account owned by POP's Passion dba Charlotte Champions For Life will be held in financial institutions which are insured by the FDIC. No bank account will carry a balance over the FDIC insured amount. The Executive Director or Administrative Director will maintain secure custody of all checks for the bank account. The Administrative Director will also monitor the bank account activity on a weekly basis.

Capital Equipment

POP's Passion dba Charlotte Champions For Life will capitalize all items that have a unit cost

greater than \$499. Items purchased with a value or cost equal to or less than \$499 will be expenses in the period purchased.

1. A Fixed Asset Log will be maintained including date of purchase, asset description, purchase/donation information, cost/fair market value, donor/funding source, identification number, life of asset.
2. The log will be reviewed by the Administrative Director and Executive Director quarterly, and a physical inspection and inventory will be taken of all fixed assets and reconciled to the general ledger balances. Any impaired assets discovered during the inventory will be written down to their actual value.
3. The Administrative Director and Executive Director shall be informed of any change in status or condition of any property or equipment.

APPENDIX A: ALLOWABLE & PROHIBITED GRANT EXPENSES

The following details GENERALLY allowed and prohibited expenses, subject to individual grant program rules and guidelines, for most grant programs.

GRANT REIMBURSEMENT ALLOWABLE EXPENSES

1. Bookkeeping/Accounting. The cost of establishing and maintaining and accounting and other information systems required for the management of the grant is allowable.
2. Advertising. Advertising media includes newspapers, magazines, radio and television programs, direct mail, trade papers, and the like. The advertising costs allowable are those which are solely for:
 - a. Recruitment of personnel or clients/students required for the grant;
 - b. Solicitation of bids for the procurement of goods and services required for the grant.
 - c. Disposal of surplus materials acquired in the performance of the grant agreement.
 - d. Other purposes specifically provided for in the grant agreement.
3. Audit Services. The full or pro-rated cost of an independent audit of the Grant.
4. Bonding. Costs of premiums on bonds covering employees who handle grantee funds.
5. Building Space and Related Facilities. The cost of used for the benefit of the grant program is allowable subject to the conditions stated below. The total cost of space may not exceed the rental cost of comparable space and facilities in a privately owned building in the same locality.
 - a. Rental Cost. Costs for publicly owned buildings newly occupied on or after October 1, 1980 are allowable where "rental rate" systems, or equivalent systems that reflect actual costs, are employed. Such charges must be determined on the basis of actual cost (including depreciation based on the useful life of building, interest paid or accrued, operation and maintenance, and other allowable costs). Where these costs are included in rental charges, they may not be charged elsewhere. No costs will be included for purchases or construction.
 - b. Maintenance and Operation. The cost of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, normal repairs and alterations and the like, are allowable to the extent they are not otherwise included in rental or other charges for space.
 - c. Depreciation and Use Allowances on Publicly Owned Buildings. These costs are allowable as provided in item Depreciation and Use Allowances.

- d. Communication Costs. The costs incurred for internet, telephone calls or services, telegraph, postage, and messenger service.
- e. Compensation for Services. Compensation for services includes all remuneration, paid currently or accrued, for services rendered during the period of performance under the grant agreement, including but not necessarily limited to wages, salaries, and supplementary compensation and fringe benefits. The costs of such compensation are allowable to the extent that the total compensation for individual employees:

- a. is reasonable for the services rendered. Compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the agency competes for the kind of employees involved. Compensation surveys providing data representative of the labor market involved will be an acceptable basis for evaluating reasonableness.

- b. follows an appointment made in accordance with agency hiring rules.

- c. is determined and supported as provided by approved time sheets.

Amounts charged to grant programs for personal services will be based on payrolls documented and approved in accordance with generally accepted practice of the local agency. Payrolls MUST be supported by time and attendance records for individual employees. In addition, there must be a job attesting to the pay rate and hours worked on a project. Salaries and wages of employees chargeable to more than one grant program or other cost objective must be supported by appropriate time distribution records.

- 6. Employee Fringe Benefits. Costs identified under this item are allowable to the extent that total compensation for employees is reasonable as defined in item.

- 7. Compensation Benefits for Services.

- a. Employee benefits in the form of regular compensation paid to employees during periods of authorized absence from the job, such as for annual leave, sick leave, court leave, military leave, and the like.

- b. Employee benefits in the form of employers' contribution or expenses for social security, employees' life and health insurance plans, unemployment insurance coverage, work men's compensation insurance, pension plans, severance pay, and the like, is acceptable provided such benefits are granted under approved plans and are distributed equitably to grant programs and to other activities.

- 8. Depreciation. Compensation for the use of buildings, capital improvements, and equipment through depreciation. Use allowances are the means of other equivalent costs. The computation of depreciation will be based on acquisition cost. Where actual cost records have not been maintained, a reasonable estimate of the original acquisition cost may be used in the computation. The computation will exclude the cost of buildings and equipment donated.

Where the depreciation method is followed, adequate property records must be maintained, and any generally accepted method of computing depreciation may be used. However, the method of computing depreciation must be consistently applied. No depreciation may be allowed on any assets that would be considered as fully depreciated.

- 9. Legal Expenses. The cost of legal expenses required in the administration of grant programs may be allowable. Legal services furnished by the chief legal officer of the agency or his/her staff solely for the purpose of discharging his/her general responsibilities as legal officer are unallowable. Legal expenses for the prosecution of claims against the agency are unallowable.

10. Maintenance and Repair. Costs incurred for necessary maintenance, repair, or upkeep of property which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition, are allowable
11. Materials and Supplies. The cost of materials and supplies necessary to carry out the grant is allowable. Purchases made specifically for the grant should be charged at their actual prices after deducting all cash discounts, trade discounts, rebates, and allowances received.
12. Memberships, Subscriptions and Professional Activities.
 - a. Memberships. The cost of memberships in business, technical and professional organizations is allowable provided: (a) the benefit from the membership is related to the grant program; (b) the expenditure is for agency membership; (c) the cost of membership is reasonably related to the value of the services or benefits received; and (d) the expenditure is not for membership in an organization which devotes a substantial part of its activities to influencing legislation.
 - b. Reference Material. The cost of books and subscriptions to civic, business, professional, and technical periodicals is allowable when related to the grant program.
 - c. Meetings and Conferences. Costs are allowable when the primary purpose of the meeting is the dissemination of technical information relating to the grant program and they are consistent with regular practices followed for other activities of the sub-grantee.
13. Payroll Preparation. The costs of preparing payrolls and maintaining necessary related wage records are allowable.
14. Personnel Administration. Costs for the recruitment, examination, certification, classification, training, establishment of pay standards, and related activities for the grant are allowable.
15. Printing and Reproduction. Cost for printing and reproduction services necessary for grant administration, including but not limited to forms, reports, manuals, and informational literature, are allowable. Publication cost of reports or other media relating to the grant program accomplishments or results is allowable when provided for in the Grant Agreement.
16. Procurement Service. The cost of procurement service, including solicitation of bids, preparation and award of contracts, and all phases of contract administration in providing goods, facilities and services for grant programs, is allowable.
17. Professional Services. Cost of professional services rendered by individuals or organizations not a part of the sub-grantee department is allowable.
18. Taxes. In general, taxes on goods, items and services purchased directly related to the grant, are allowable
19. Training and Education. The cost of in-service training, which directly impacts the ability of staff to administer the grant, is allowable.
20. Transportation. Cost incurred for freight, cartage, express, postage and other transportation costs relating either to goods purchased, delivered, or moved from one location to another is allowable.
21. Travel. Travel costs are allowable for transportation, lodging, subsistence, and related items incurred by employees who are on official business directly related to the grant program. Such costs may be charged on an actual basis, on a per diem mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip, and results in charges consistent with those normally allowed in like circumstances in non-state sponsored activities. The difference in cost between first-class air accommodations and less-than first-class air accommodations is unallowable except when less-than-first-class air accommodations are not reasonably available.

PROHIBITED GRANT REIMBURSEMENT EXPENSES

1. Bad Debts. Any losses arising from noncollectable accounts and other claims, and related costs, are unallowable.
2. Contingencies. Contributions to a contingency reserve with program funds or any similar provision for unforeseen events are unallowable.
3. Contributions and Donations. Unallowable.
4. Chief Executive's Expenses. The salaries and expenses of the chief executive of a political subdivision are considered a cost of general local government and are unallowable. The only exception is that the portion of salaries and expenses directly related to managing and operating the project by the chief executive and his or her staff is allowable.
5. Entertainment. Costs of amusements, social activities, and incidental costs relating thereto, such as meals, beverages, lodgings, rentals, transportation, and gratuities, are unallowable.
6. Fines and Penalties. Costs resulting from failure to comply with federal, state and local laws and regulations are unallowable.
7. Interest and Other Financial Costs. Interest on borrowings (however represented), bond discounts, cost of financing and refinancing operations, and legal and professional fees paid in connection therewith, are unallowable except when authorized by Federal legislation.
8. Legislative Expenses. Salaries and other expenses of the State legislature or similar local governmental bodies such as county supervisors, city councils, school boards, planning district commission members, etc., whether incurred for purposes of legislation or executive direction, are unallowable.
9. Board of Directors. Cost incurred by Board of Directors or like organizations is ineligible, except in the case of project area committees.
10. Budgeting. Cost incurred for the development, preparation, presentation, and execution of budgets are ineligible (cost incurred relative to the specific grant budget is allowable)
11. Employee Morale, Health and Welfare Costs. The cost of health or first-aid clinics and/or infirmaries, recreational facilities, employees' counseling services, employee information publications, or any related expenses incurred in accordance with general state or local policy, is ineligible.
12. Grant Writing. No grant writing expenses or consultant fees for grant writing shall be contingent on any grant or included in any grant.