

## 7. Contract Payments

**Purpose/  
Background:**

The Board of Supervisors authorized policies and procedures for First 5 Butte County Children and Families Commission pursuant to Section 130151 of the California Health and Safety Code. The purpose of this policy is to enable the Commission to distribute grant funding in a timely and effective manner.

**Policy:**

Contractors shall invoice monthly ~~or quarterly~~. Contractors shall submit supporting documentation with invoices, including but not limited to financial reports, receipts for material purchases, rental equipment, subcontractor work and employee travel. Final fiscal year invoices are due July 15th.

<u>Budget Category</u>	<u>What is Allowable</u>	<u>What is Not Allowable</u>	<u>Required Documentation</u>
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<b><u>A. Personnel Expenses</u></b>	-	-	-
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<u>Management Salary</u>	<u>Hourly wages paid to management staff assigned to the contractually funded program at the contracted % of full-time employment (FTE)</u>	<u>Wages for administrative or program staff. Wages for any staff member funded by other programs or grants. Staff hours reimbursed to the grantee by any other source. Wages for any management staff time that is spent participating in activities not included in the contract Scope of Work.</u>	<u>Agency payroll system-generated detail that includes staff salary, hours worked, and benefits paid.</u>
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<u>Program Personnel Salary</u>	<u>Hourly wages paid to staff assigned to the contractually funded program at the contracted % of full-time employment (FTE).</u>	<u>Wages for management staff. Wages for administrative staff not specifically assigned to the program who are</u>	<u>Agency payroll system-generated detail that includes staff salary, hours worked, and benefits paid.</u>
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	<p>Leave time (sick, vacation, bereavement, etc.) may be included proportionate to the staff member's contracted % FTE; however, First 5 should be notified of any long-term staff absences that will impact the normal operations of the program AND the grantee should make arrangements to mitigate service interruptions by substituting staff in collaboration with First 5.</p>	<p>paid through indirect costs (fiscal/accounting, IT, etc.). Wages for staff funded by other programs or grants. Staff hours reimbursed to the grantee by any other source. Wages for any staff time that is spent participating in activities not included in the contract Scope of Work.</p>	
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<u>Benefits</u>	<p>Employer share of health insurance, retirement, payroll taxes, and other non-wage employer-funded withholdings</p>	<p>Employee share of benefits.</p>	-
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<u>B.Program</u>	-	-	-
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<u>Direct Service Costs</u>	<p>Program-related materials such as: educational curriculum and materials, supplies for program events and outreach, concrete supports in times of need (food, home safety items, mental health, transportation, etc.), books, meals or refreshments for caregiver classes, educational toys and games, arts and crafts supplies, program-specific printing, and other items that are necessary to successfully complete the scope of work.</p>	<p>Items that are included in other line items, such as furniture, computers, equipment, office supplies, occupancy costs, refreshments that violate the food &amp; beverage policy, excess quantities not supported by program attendance,</p>	<p>All purchases must be accompanied by itemized receipts that prove the items were delivered. Receipts that have been split between multiple programs or multiple budget line items should be stamped or written to indicate exactly how much was allocated to the First 5 contract and budget line items. Receipts that could be</p>

			<u>interpreted as vague should be written on to indicate what the purchase was for.</u>
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<u>Local Mileage</u>	<u>Mileage at the IRS reimbursement rate for program staff to travel to program locations to which they are not normally assigned as their primary work location, program-related meetings, trainings, outreach events, and home visits. Transportation of program clients for program-related purposes may be reimbursable as allowable by agency policy. Policy must be submitted to First 5 staff prior to transporting clients.</u>	<u>Staff travel or participant transportation for non-program activities. Agency vehicle registrations and insurance.</u>	<u>Contractors can either provide their agency policy and procedure for how they calculate and track staff mileage, or they can provide monthly mileage logs with the invoice. Contractors not submitting mileage logs should maintain on-site documentation for file review for 5 years. Copies of staff mileage logs include the name of the staff, the date, destination and reason for travel, and miles travelled.</u>
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<u>Staff Training and Conferences</u>	<u>Program-related trainings and conferences.</u>	<u>Agency trainings unrelated to program</u>	<u>Out of state travel requires pre-approval. Pre-approval is recommended for in-state travel to ensure expenses will be allowable. All travel complies with the travel language in the contract and Grantee Handbook</u>

			Receipts are required for registration fees, lodging, parking, ground and other transportation. Receipts are not required for food or incidentals as the GSA per-diem rate will be applied to cover those expenses.
<u>Professional Services</u>	<u>Identified in contract negotiation</u>		
<u>Other Expenses</u>	<u>Identified in contract negotiation, may include program specific software subscriptions such as Zoom or Adobe.</u>		<u>Itemized receipts</u>
<u>C.Administrative</u>			
<u>Occupancy</u>	<u>Costs proportionate to the program associated with maintaining the program facility, including rent/mortgage, utilities, pest control, maintenance improvements or modifications necessary for programming.</u>	<u>Any modifications to the facility space that are not approved by the landlord in writing prior to the modification taking place. Any services contractually obligated to be paid by the landlord.</u>	<u>A copy of the lease provided with the first invoice of the fiscal year. If the agency has the ability to provide system-generated documentation for utilities and monthly services, that is allowed. If not, provide a copy of the itemized bill. Non-emergency improvements and modifications require pre-authorization from First 5 and the landlord, and itemized invoices.</u>

<u>IT and Telephone</u>	<u>Cellular and landline telephone, internet, and external IT support.</u>	<u>Software subscriptions</u>	<u>If the agency has the ability to provide system-generated documentation for utilities and monthly services, that is allowed.</u>
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<u>Equipment/Furniture</u>	<u>Computers, telephones, wi-fi devices, furniture, printers, storage cabinets, and durable items or capital assets with a lifespan of at least five years.</u>	<u>Consumable goods, office supplies, items with a lifespan less than five years.</u>	<u>Itemized receipts</u>
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<u>Office Supplies</u>	<u>Consumable items for office use, such as pens, paper, notebooks, staplers, postage, printer cartridges, printing, copies, cleaning supplies, paper towels, water delivery, and basic toiletries.</u>	<u>Durable items with a lifespan longer than five years.</u>	<u>If the agency has the ability to provide system-generated documentation for supplies that is allowed. If not, provide a copy of the itemized bill. Contractors must maintain on-site documentation for file review for 5 years, and receipts should be available upon request.</u>
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<u>Liability Insurance</u>	<u>Workers compensation insurance and liability insurance costs.</u>	-	<u>Annual copy of the insurance policy</u>
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<u>Other Expenses</u>	<u>Administrative expenses that can be specifically tied to the scope of work including offsite payroll services, document shredding services, pre-employment costs (background checks,</u>	-	<u>Employment costs and other non-recurring charges.</u>

	<u>driving record checks, and fingerprinting)</u>		
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<b><u>D. Indirect Costs</u></b>	<u>Expenses incurred by the grantee for the benefit of the entire agency or that are not specific or direct to the contractually funded program or its Scope of Work, including accounting, payroll, IT support, executives/upper management, general facilities costs, construction, general capital assets, agency vehicles, maintenance, janitorial services,</u>		

Grantees with contracts nearing completion must submit final invoices within 45 days of the contract end date. Final payments and reconciliations shall be completed within 60 days of completion of the contract term.

Indirect costs are shared costs that benefit or support multiple services administered by the awardee, and cannot be readily identified with a specific project. These costs should be apportioned by a systematic and rational allocation methodology, which should be documented and made available upon request.

- Indirect costs on contracts may not exceed 15% of an awardee’s total personnel budget, and may be reduced or disallowed at the Commission’s discretion.
- No single dollar of an awardee’s contract may be counted twice when calculating the total amount of indirect cost allowed, irrespective of subcontractor arrangements.
- Grantees may not charge indirect expense on funds awarded through the Commission’s discretionary funds process, which supports programs, activities and professional development opportunities in amounts of up to \$5,000.

**Effective Date:** April 21, 2023