

TPCP Compliance & Financial Guide for Subgrant Awardees

**Tobacco Prevention
&
Cessation Program**

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SECTION I – PURPOSE OF THIS GUIDE

The TPCP Compliance/Financial Guide serves as the primary reference manual to assist TPCP-funded partners and awardees in fulfilling their fiduciary responsibility to safeguard grant funds and ensure funds are used for the purposes for which they were awarded. These guidelines are not offered as a complete manual of procedures on grant administration; they are intended to provide practical information on what is expected from awardee organizations in terms of fiscal accountability. If at any time you are unsure about the rules governing the proper use of TPCP funds, please contact your TPCP grant administrator (GA) or the TPCP financial manager.

These guidelines are based on current policies governing the Arkansas Department of Health, Arkansas Department of Finance and Administration policies, and federal guidance. Awardees must comply with TPCP Financial Guidelines and all federal and state laws. Awardees must also operate within the requirements of the respective Request for Applications.

When following rules as it applies to financial standards, the organization must follow the more stringent rule. If awardees have stronger guidelines than the ones laid out in this manual or state or federal guidelines, they should follow their own guidance. Conversely, should the guidelines in this manual be more stringent, awardees must adhere to the layout in this manual for all costs and expenditures as they apply to TPCP grants.

INTENDED USERS

These guidelines should be reviewed by everyone in the organization who is responsible for grant management, including those who prepared the grant application and those who record and report on grant financial activities.

Important Notice: TPCP requires each awardee to submit a signed copy of the Acknowledgement Form (Appendix II) by the last business day of August for each funding period. The Acknowledgement Form must be signed by the coordinator and the organization's authorized signer.

ACCOUNTABILITY REQUIREMENTS

Acceptance of a grant from TPCP requires the awardee to use the funds in accordance with the terms of the grant and to comply with the grant's provisions and conditions. The awardee thus assumes full responsibility for the conduct of the project activities and becomes accountable for meeting required standards in financial management, internal controls, monitoring, and reporting to TPCP.

FINANCIAL MANAGEMENT STANDARDS

Many alternative methods exist for implementing financial management systems. Each organization should choose methods appropriate for its scale of operations. If the organization is unable to meet the identified standards, TPCP funding may be terminated, and the organization may be deemed ineligible to receive subsequent financial assistance.

The Awardee's Financial System Should Have the Following Capabilities:

Provide accurate and complete information about all financial transactions related to each source of funds.

Provide accurate, current, and complete financial reports that can be duplicated and supported with backup documentation.

Track expenses and revenue by funding source.

Expenditure records must be at least as detailed as the cost categories indicated in the approved budget (including indirect/administrative costs that are charged to the project.)

Actual expenditures are compared with budgeted amounts. The Reimbursement Request Workbook may be used for this requirement.

Record and track equipment inventory and petty cash funds.

Awardees Must Ensure That:

Costs are incurred during the award period and services are performed and completed before the end of the award period.

All obligations must be paid no later than 45 days after the end of the award period.

Records must be supported by source/backup documentation such as cancelled checks, invoices, contracts, travel reports, timesheets, and activity reports.

Employees whose salary is charged to the grant must maintain a work activity report that differentiates time spent on all activities allocated by funding source.

Records must be preserved for a period of five (5) years after the agreement expires, or if any audit is pending at the end of the five-year period, until resolution of the audit.

Organizations will grant access to their records upon request by TPCP personnel. Access will be given to any books, documents, papers, or records of the awardee, which are related to any services performed under the TPCP award agreement.

INTERNAL CONTROLS

Organizations must provide safeguards for all grant property, whether cash or other assets, and assure that it is used solely for authorized purposes. Control will be enhanced if the duties of the members of the organization are divided so that no one person handles all aspects of a transaction from beginning to end. Although a complete separation of functions may not be feasible for small organizations, some measure of effective control may be obtained by planning the assignment of duties carefully. Many effective techniques for providing internal controls are simple. The following are some examples:

Methods for Effective Internal Controls	
Bank Reconciliation	Bank accounts should be reconciled monthly by someone other than the person who signs the checks.
Vendor Payment	- Checks to the vendors should be issued only on payment of approved invoices. - The individual signing checks for payment should not be the individual setting up payment requests.
Asset Security	The person responsible for the physical custody of any asset BUT should not also have responsibility for keeping records related to that asset.
Payroll	The person who has authority for placing employees on the payroll and establishing wage rates should not be the same person who signs the checks.
Checks	- Checks are made payable to a person or company for a legitimate grant expense and can never be left blank or made out to cash. - Individuals cannot sign checks made payable to themselves. - Signature stamps or pre-signed checks cannot be used. - Two signatures should be required on checks. <u>Checks must state that two signatures are required.</u> NOTE: Checks with two signature lines do not constitute the requirement for two signatures and will not be challenged by the bank or vendor cashing the check.

Cash Transactions	• All transactions paid with TPCP funds must be made with a check or credit/debit card. • Vendors should never be paid with cash. • Exception of small cash purchases (under \$100) made through a petty cash fund or personal reimbursements with proper documentation.
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MONITORING/AUDIT STANDARDS

Organizations must assure that TPCP staff will be able to review the organization's expenses, tie them specifically to TPCP funding, and determine if the expenses are reasonable and supported with appropriate backup documentation (e.g., invoices, cancelled checks, timesheets/activity reports, and travel logs.) Organizations must provide TPCP with a copy of the organization's general ledger (in Excel) of all expenses charged to the TPCP sub-grant for the period reviewed. If the general ledger total expenses related to the TPCP granted exceed or are less than the amounts reimbursed by TPCP, organizations will be asked to provide an explanation for discrepancies. See Section VI – Monitoring for additional information.

TPCP reserves the right to conduct a review of financial transactions at least annually or as needed as determined by TPCP/ADH management. The review may be done in conjunction with an on-site visit. For additional audit requirements, see Section F of the Sub-Grant Agreement form (FIN-9600.)

REPORTING REQUIREMENTS

TPCP requires that all reports and documents be submitted in a timely manner. Invoices are due to TPCP no later than the end of the month following the reporting month. Awardees must enter expenditures into the Excel Reporting System created by TPCP, along with backup documentation supporting expenditures billed. Note: the awardee cannot request the following month's reimbursement until the prior month's reimbursement request has been accepted by TPCP.

TAX REPORTING

It is the organization's responsibility to ensure their organization follows Internal Revenue Service (IRS) and state tax laws. The IRS Miscellaneous Income form (1099-Misc) is required for some services when an organization pays a vendor \$600.00 or more in a calendar year. Refer to the following website for additional information: <http://www.irs.gov/pub/irs-pdf/i1099misc.pdf>.

The IRS Return of Organization Exempt from Income Tax (Form 990) is an annual reporting return that all 501(c)(3) private foundations regardless of income must file with the IRS. It provides information on the filing organization's mission, programs, and finances. Refer to the following website for additional information:
<http://www.irs.gov/pub/irs-pdf/f990.pdf>.

CAUTION: Organizations that have a tax-exempt status that has been revoked cannot be funded by TPCP.

SECTION II – GRANT MANAGEMENT GUIDELINES

USE OF FUNDS

Activities conducted under an awardee agreement are an extension of the program. Funds must be used to meet awardee objectives such as evidence-based tobacco control interventions and reasonable program purposes and activities. Awardees may not use funds for activities that are not related to tobacco control or for items that were not identified in the approved budget without an approved budget adjustment request and/or prior approval.

PRIOR APPROVAL

TPCP requires prior approval on some items/transactions before the purchase of an item or engaging in an obligation to expend funding. For details on how to request approval on items listed in Appendix I, please contact your assigned grants administrator (GA).

WAIVER REQUESTS

If an awardee cannot meet the financial or program requirements of these guidelines, a waiver can be requested. Awardees must provide explanation/justification of the request. Please contact the TPCP Branch Chief for the waiver request information and instructions.

ALLOWABLE COSTS – DETERMINING IF A PURCHASE IS ALLOWABLE

Allowable costs are defined as being **reasonable, allocable, necessary, authorized, treated consistently, and documented**. Awardees should use the allowability tests to assist in determining whether a purchase will be allowable. **The following scenarios are provided to assist with testing for allowability of a cost.**

Allowability Components	Definition/Description	Scenario
Reasonable	Costs are considered reasonable when the cost does not exceed the market prices for comparable goods or services	Scenario: Your work plan includes working with a population that does not speak English, and the services of an interpreter are required. You contact someone you know that can provide the service and offer to pay \$150 per hour. Does this pass the test for allowable cost? No. Why not? The work is necessary, you can allocate it, but is the cost reasonable? When hiring a contractor, you cannot pay more than the market rate for services. The current market rate for a Spanish interpreter is between \$40 and \$60 per hour with a one-hour minimum; therefore, the cost is not reasonable. Amounts paid over the market rate can be disallowed. Market rates for interpreter services can be found quickly by doing online searches.
Allocable	Costs are allocable when they are assigned to a specific function where costs are needed and incurred	Scenario: The approved budget includes the purchase of a computer to replace an obsolete computer the program coordinator has been using. However, when the computer is received, it is assigned to a staff person that does not perform TPCP grant-related tasks. Does this pass the test for allowable cost? No. Why not? The purchase of the computer was authorized by the program coordinator. By assigning the computer to a staff person not performing TPCP grant-related tasks, the cost cannot be allocated to this funding.

Necessary	Costs are considered necessary when they are recognized as ordinary and necessary to support the operation and/or performance of the program.	Scenario: Your approved budget has \$1,200 in office supplies. Your organization does not purchase any office supplies until June. On June 10, you purchase \$1,000 of toner and \$200 of educational supplies. Does it pass the test for allowable cost? Maybe. Why? The purchase of \$1,200 was authorized; however, it does not seem <u>necessary</u> to purchase \$1,000 worth of toner and \$200 of educational supplies when the grant expires in 20 days. The awardee must provide justification for this purchase
Authorized	Costs are considered authorized when they are in the approved budget and are not prohibited under state or local laws or regulations	Scenario: The local coalition for alcohol and other drugs has a meeting that includes a tobacco prevention topic on the agenda, and you are asked to provide lunch and snacks (catering) for the meeting. Since the TPCP approved budget does include catering, you agree even though only a portion of the meeting will be devoted to tobacco prevention. Does this pass the test for allowable cost? No. Why not? The cost is <u>authorized</u>; however, the total cost cannot be <u>allocated</u> to TPCP funding since the event is for other programs as well as TPCP. TPCP funding can only be used for a portion of the costs and must be based on a methodology equally dividing the costs with the other programs involved in the meeting (i.e., percentage of meeting time or portion of the agenda devoted to tobacco prevention).
Consistent	Costs are considered consistent when treated similarly regardless of the source of funds	Scenario: Your organization's policy authorizes an annual salary increase of up to 4% based on performance reviews. You expect to have a surplus in your TPCP budget in salary and fringe. Your performance has been outstanding this year, so you ask your supervisor for a 5% salary increase, and your request is approved. Does this pass the test Allowable cost?

		No. Why not? TPCP funds must be treated <u>consistently</u> throughout the organization. If the organization's policy sets a limit of 4% annually for salary increases, all employees must be treated consistently despite the TPCP grant having surplus funds.
Documented	Costs are considered documented when they are adequately supported by required documentation	Scenario: The program coordinator purchases an item for a TPCP event using his or her personal funds. The event is included in the work plan and budget. An itemized receipt along with the organization's reimbursement/reconciliation form documents the purchase. Does this pass the test for allowable cost? Yes. Why? It was approved in the budget and work plan, and the expense was <u>documented</u> (itemized receipt and proof of reimbursement).

EXPLICITLY UNALLOWABLE COSTS

Below is a list of explicitly unallowable costs that TPCP will NOT reimburse. This list is not all-inclusive but provides guidance on costs that are strictly disallowed.

Explicitly Unallowable Costs	
• Alcoholic beverages • Bonuses • Cash advances to employees • Construction costs • Contingency provision • Costs incurred outside the grant period. • Credit card fees • Dependent care costs (insurance) • Donations or contributions • Dual compensation • Earned sick leave paid upon an employee's permanent departure from the position. • Fines and penalties • Flowers/plants	• Idle facility investment management • Incentives (exception for events approved for Project Prevent) • Late payment fees • Lobbying • Losses on sponsored projects or contracts • Memberships, subscriptions, and professional activity costs in an individual's name (these costs must be in the organization's name and must meet the allowability test) • Overtime cost, extra pay, or shift pay. • Organizational or reorganization cost • Personal entertainment • Pre-agreement costs • Property acquisition (land and/or building)

• Fundraising • First class and non-coach travel • Gift cards • Goods and services for personal use • Housing and personal living expenses	• Relocation costs • Selling products purchased with TPCP funds. • Severance pay • Tobacco products • Valet service • Interest expense
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OBLIGATION OF FUNDS

An obligation of funds can refer to orders placed, contracts awarded for services, and similar transactions during the award period that require payment by the awardee. An obligation occurs when funds are committed, such as a valid purchase order or requisition to cover the cost of purchasing an authorized item on or after the beginning date and up to the last day of the project period. Obligations must occur during the project period stated in the agreement. Any funds not obligated by the end of the award period will expire and will not be available.

Contracted services must be performed during the award period. However, invoices for services performed during the award period can be paid after the end date of the award. Entering into a contract for services to be performed after the end date of the award is not acceptable and would be a disallowed cost.

The following scenarios are provided to assist with testing for obligation of funds. This list is not inclusive of all scenarios but provides common examples.

Obligation of Funds	
<u>Scenario 1</u> The awardee purchased training videos that were approved by TPCP in May and ordered by the awardee in May. However, the awardee did not receive the videos until July 5 because of a back order and shipping delays. Can the awardee request reimbursement for this purchase?	Yes The item was approved by TPCP in May and ordered by the awardee prior to the end of the grant year creating an obligation to purchase the product. The product was also received within the 45-day grant closeout period.
<u>Scenario 2</u> The awardee hired a contractor in December to build the coalition's website. The project was completed by June 30, but it did not deliver desirable outcomes as agreed. The contractor said they could not make any changes until July 25, and the changes would require additional funds. There were funds left in the original contract that could cover the cost of the additional services. Can	No Even though the contract had funds left, the actual work would not be completed until the following fiscal year. The awardee will have to set up a new contract agreement to finish the work in the next grant year. Only work performed in the grant award period can be paid.

the awardee pay the vendor for the work performed in July?	
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Note the difference: Items ordered before the end of the grant and received within 45 days after grant ended are allowable. However, payment for services performed by individuals must be compensated during the fiscal year that the work is performed.

Unacceptable Accounting Practices	
Assigning charges to the grant with the largest remaining balance	"Rainy day purchases" where a cost may be beneficial to other projects after the project end date
Billing costs to the grant prior to the expense being incurred	Charging the budgeted amount rather than the actual amount
Identifying a cost as something other than what it actually costs (e.g., a contractor cost rather than a personnel cost)	Charging costs to spend remaining balances

SHARED COSTS

If an event is held in conjunction with other programs such as Drug and Alcohol Awareness programs, all costs including facility rental, catering, and other costs must be prorated based on the content of the meeting agenda. **TPCP will not reimburse 100% of the costs if the event is shared with another program.**

PROGRAM INCOME

Program income is defined as gross income received by the organization that was directly generated by a grant-supported activity or earned only as the result of the grant agreement.

Some examples include:

- **Charging a registration fee for workshops and conferences.**
- **Revenue received in return for providing services to a third party.**
- **Membership fees**
- **The sale of commodities, data and information records, services, books and publications, software, childcare, tutoring, etc.**

- **Rental or usage fees charged for use of supplies or equipment purchased with TPCP funds.**
- **The sale of products made or purchased using TPCP grant funds.**

Organizations must report program income as soon as it is earned. TPCP will determine if the program income can be used to advance TPCP program objectives or if a refund to TPCP is required. Program income can only be used for allowable TPCP program costs and must be reflected in the work plan.

SECTION III – GUIDELINES FOR SELECT COSTS

Below are the most common reimbursement requests for TPCP awardees. The tables below are designed to assist awardees in understanding the requirements for each of the eligible items listed and the required source documents. There may be additional information prior to and after each table that also pertains to the requirements the awardee must follow. Please make sure you read all information provided on each selected cost element.

PERSONNEL COSTS

Organizations must ensure that staffing requirements are following the applicable Request for Applications (RFA). Personnel costs (salaries/wages and fringe benefits) must be based on payroll records approved by a responsible official. Any changes in personnel must be approved by TPCP. The fiduciary must notify TPCP immediately if the program coordinator is absent from work for more than two weeks or if a TPCP funded employee terminates. If a position is vacant for more than two weeks, the fiduciary must propose a plan to ensure that work will continue without interruption. Personnel hired during the contract period must meet all criteria specified in the request for proposal (RFP). Contact the TPCP Branch Chief for requirements.

Eligible Item	Descriptions/Requirements	Documentation Required for Reimbursement
Personnel	• At minimum must have One full-time coordinator that dedicates 100% of time to performing TPCP-related activities specified in the work plan. • Coordinators who are paid 100% by TPCP, must be available to work during normal business hours (8:00am to 5:00pm) with occasional work beyond normal business hours (i.e., evenings and weekends) • Time worked beyond normal hours should be compensated for by time off so that the employee works only a 40-hour week. • Overtime compensation is an unallowable cost. • All individuals paid by TPCP direct program funds must maintain timesheets and activity reports. • If a position is vacant for more than 90 days or if the fiscal agent fails to provide the required notification, TPCP reserves the right to cancel the sub-grant agreement. • Must provide a copy of the organization's current paid leave policy and promotion/pay raise policy within the first month of funding. • TPCP will follow the organization's policy on sick leave and annual leave. However, TPCP allows payout only of annual leave if the TPCP coordinator terminates. • TPCP will reimburse for maternity leave up to four (4) continuous weeks. • Nepotism is highly discouraged. Employees who are related to each other should not be placed in the same line of supervision.	All individuals paid by TPCP program fund must submit the following reimbursement: • Copy of weekly timesheets signed by employee and his or her supervisor. • Copy of employee paystub detailing salary and fringe or a copy of the payroll ledger that clearly identifies employee and time worked.

DUAL COMPENSATION

In no case is **dual compensation** allowable. An employee may not receive compensation for the same work from two different funding sources for a single work period, even if such work may benefit both programs.

PARTIALLY FUNDED STAFF

Only statewide or regional Project Prevent awardees can have partially funded positions. If staff funded in part by TPCP work on multiple grant programs or cost activities, a reasonable allocation of costs to each activity must be made based on time and/or effort reports (e.g., timesheets with award and activity designation.) These reports must:

- ▶ Show reflection of the actual activity of each employee.
- ▶ Account for the total activity for which each employee is compensated.
- ▶ Be prepared at least monthly and coincide with one or more pay periods.
- ▶ Account for the total activities for which employees are compensated.
- ▶ Be signed by the employee and approved by a supervisor with familiarity of work performed.
- ▶ Be allocated based on a 40-hour work week.

NOTE: Allocations for fringe benefits must follow the same allocation percentage as salary. The same is true for budgeting salary.

MAINTENANCE AND OPERATIONAL COSTS (M&O)

Costs such as printing, postage, office supplies, phone services, internet services, catering and food costs, facility rental and minor purchases will be charged in the “M&O” category in the TPCP Financial Excel Reporting System.

LANDLINES, CELL PHONES, AND INTERNET SERVICES

Landline, cell phone, and internet monthly service costs are allowable but must be set up in the name of the organization. Organizations may opt to pay the coordinator up to \$50/month for use of personal cell phone and \$25/month for internet service in lieu of company-funded services.

Eligible Items	Descriptions/Requirements	Documentation Required for Reimbursement
Cell Phone, Internet, and Landlines	• Must be set up in the organization's name unless company opts to request funds to pay for individuals cell phone and internet. • TPCP will reimburse up to \$50/month for use of personal cell phone. • TPCP will reimburse up to \$25/month for personal internet.	• Copy of bill from vendor, if applicable. • Copy of the individual's personal cell phone bill and internet bill, if applicable.

EQUIPMENT PURCHASE OVER \$500.00

All equipment purchases for a single item costing \$500.00 or more must be approved by TPCP prior to purchase. Equipment for TPCP purposes is considered an asset, which is used by the awardee to enhance work plan deliverable and are necessary to carry out grant objects. Equipment includes items such as office machines, office furniture, computers, electronic equipment, and the like.

Eligible Items	Descriptions/Requirements	Documentation Required for Reimbursement
Items such as computers, scanners, printers, etc.	- Items costing \$500.00 or more must be tracked and accounted for by the awardee using some type of asset management tracking system. - Prior approval from TPCP is required before the awardee can purchase the item. - Must obtain three price quotes. For more details on requirements before purchasing equipment refer to the sub-grantee instructions for equipment purchases located on basecamp.	- Copy vendor invoice for equipment purchase (include serial number if not listed on the invoice.) - Copy signed equipment purchase approval form. - Copy of three quotes

CATERING/FOOD COSTS

Catering costs for food and beverages at a TPCP-sponsored event are allowable. The cost per person (including tax and tip) cannot exceed the per diem rate for the individual meal. In addition, organizations must utilize the National Alliance for Nutrition and Activity meeting guidance as a reference when providing food at meetings. See the following links for additional information:

<http://cspinet.org/nutritionpolicy/Healthy-Meeting-Guidelineslines.pdf>

<http://cspinet.org/nutritionpolicy/Healthy-Meeting-Toolkit.pdf>

<https://www.cspinet.org/nutritionpolicy/healthy-meeting.html>

Eligible Items	Descriptions/Requirements	Documentation Required for Reimbursement
	- Must be for TPCP-related events (e.g., workshop, coalition meeting, conference) - Must use National Alliance for Nutrition and Activity guidelines. - Boxed healthy lunches are preferred.	An itemized invoice for food/beverage costs must be provided. A credit card receipt is <u>not adequate backup documentation.</u>

Catering & Food Cost	• Cost per person (including tax and tip) does not exceed the state per diem rate for the individual meal. See per diem rates at http://www.gsa.gov/portal/content/104877 • The majority of the attendees must not be staff of the awardee organization or state employees. • If the event is in conjunction with other programs, the catering cost must be prorated based on attendance or agenda topics. <u>TPCP will not reimburse 100%</u> of the costs if the event is shared with another program. • Food is not allowed as an incentive to participate or to entice people to provide a service. • Meals or Snacks are allowable however: ▪ Must provide documentation on why you need to provide breakfast or snacks. ▪ Must follow the guidelines listed above for all food purchased. ▪ Must get approval from GA via email. Sub-grantees are discouraged from providing meals and snacks unless there is a compelling reason for doing so.	• A detailed sign-in sheet that includes contact information for the participants must be provided (see Appendix III) • For meetings, an agenda with times and topics should be submitted with the invoice. • Copy of justification providing breakfast or snacks. • Reimbursed
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UNALLOWABLE FOOD AND BEVERAGE COSTS

The following are some examples of events where food or beverage costs would not be appropriate and would not be reimbursed by TPCP.

- Food for normal daily business (e.g., coffee, water, cups)
- Staff meetings/working lunches.
- Organizational parties
- City council meetings
- Any non-TPCP related activity

FACILITY RENTAL AND MEETING COSTS

Awardees are allowed to rent facilities and purchase food for required adult and youth coalition meetings and TPCP approved conferences/trainings. Awardees are encouraged to find free meeting space before obligation funds for facility rental.

Eligible Items	Descriptions/Requirements	Documentation Required for Reimbursement
Facility Rental Cost	• Must be a TPCP-related event (e.g., workshop, coalition meeting, conference) • Location must be 100% smoke-free/electronic nicotine device/vape free. • Most of the attendees must not be staff of the awardee organization or state employees. • If the event is in conjunction with other programs, the facility rental cost must be prorated based on the attendance or agenda topics. <u>TPCP will not reimburse 100%</u> of costs if the event is shared with another program. • Awardees are encouraged to find free meeting space before obligating funds for facility rental.	• An itemized invoice for room rental must be provided. A credit card receipt is not <u>adequate backup documentation.</u> • A detailed sign-in sheet that includes contact information for the participants must be provided (see Appendix III) • Copy of the notice of meeting, if advertised. • Copy of Agenda • Copy of minutes and/or meeting notes.

MEMBERSHIP & SUBSCRIPTIONS FEES

Awardees are allowed to purchase subscriptions and membership that enhance their learning and outreach to the community.

Eligible Items	Descriptions/Requirements	Documentation Required for Reimbursement
	• Memberships, subscriptions, and professional journal costs must be in the	• Copy of Invoice showing who the membership/subscription

Membership & Subscriptions Fees	name of the fiscal agent and/or the organization. • These types of costs must meet the allowability test i.e. how does it benefit TPCP work plan activities. • Dues paid in the name of an individual will be denied. • Examples: local newspaper, member to chamber, membership in tobacco control organizations, etc. • All membership/subscription fees must get written approval yearly via email.	is made out to, the cost, and description of services/product delivered.
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MINOR PURCHASES

If an awardee/coordinator needs to make prompt purchase to carry out a TPCP activity, the awardee/coordinator may make purchase from their own funds for minor purchases up to \$100. An explanation must be provided why the minor purchase was necessary to carry out the TPCP-funded activity when submitted for reimbursement. There may be some instances where the funder requires the individual to purchase items such as food, office supplies etc. and then reimburse the coordinator after the purchase. TPCP will work case by case to ensure organizations and individuals are properly reimbursed, and there is no unnecessary burden on any organization or individual.

Eligible Items	Descriptions/Requirements	Documentation Required for Reimbursement
Minor Purchases Expenses	• TPCP will pay for purchases made by a TPCP -funded coordinator provided the expense is for TPCP activities. • Must provide explanation for why employee had to make the purchase. • Purchases should be \$100 or less.	• Legible itemized receipt • Organization's employee reimbursement form with signatures of financial approver and employee. • A brief explanation for the purchase and what the items were used for.

SPEAKER FEES

A speaker is anyone who comes to speak about a topic related to tobacco/nicotine and the health/financial/social impacts of this product. **Fees for speakers will be per hour and that will ONLY include the hours that they are actually performing their presentation.** TPCP will NOT reimburse for slide deck building or creation time. Properly documented travel that meets the current DFA/ADH requirements may be reimbursed.

Speaker fees: In-state presenters who do not have a professional credential under which they perform a service may earn up to \$100 per hour that they perform a presentation. This performance may not exceed three hours. In-state professional speakers who hold a professional credential under which they practice may earn up to \$250 per hour that they perform their presentation. This performance may not exceed three hours.

Out-of-state presenters should ONLY be booked when they are an expert in this field and can provide information/experience that cannot be presented by anyone in Arkansas. **All efforts should be made to have in-state presenters when possible.** Should a subgrantee wish to book an out-of-state speaker, that person MUST be coming to exclusively speak about tobacco/nicotine, and they need to be considered a national expert on the subject matter. They should be a person that is considered a foremost authority on their topic, and easy to find while doing a cursory internet search. They should be someone who has spoken at a variety of national-level conferences and events. Fees for out-of-state speakers can range from \$500-\$750 per hour of actual presentation performance. These performances are not to exceed two hours. The level of fees allowed will be determined by the GA after they have reviewed the speaker's credentials and determined what is appropriate for their expertise and experience.

All speakers MUST be approved of by your GA. If you book a speaker and attempt to get reimbursed without the proper procedure, you will NOT receive reimbursement.

Remember that a "speaker" requires a speaker request form, a conflict-of-interest form, and a speaker agreement form. If what you are doing is considered a "training" then you need to make a request for contract/consultant services. A training is something that is evidence-based, a best practice, or a promising practice that is considered a standard practice such as Tobacco Treatment Specialist Training, Dimensions Training, or Not For Me. A training is NOT a speaker making a slide deck presentation and/or talking about a topic. With a training, an attendee comes away with the ability to complete a task or has obtained a skill. It is not simply learning or relearning a topic. Also, it is not necessary for an outside entity to explain evidence-based programming such as the Ask, Advise, Refer or 5 A's models. It is expected that TPCP subgrantees can perform TPCP-created presentations on these basic topics. Training means that the person presenting has gone through a process by which they have become certified or recognized as a trainer in a particular topic.

NOTE: Just because a presentation receives continuing education credits, that does NOT make it a training that uses a contractor. Many presentations are approved for CEU's because they are timely, relevant, and provide new information. That does NOT make them a training. If you contact your GA as you have been directed to for approval, they can ensure that you fill out the right forms depending on whether this is a training or presentation. In most cases, it will simply be a presentation.

Eligible Items	Descriptions/Requirements	Documentation Required for Reimbursement
Speaker Fee	• All speakers must be approved by TPCP prior to obligating funds. Contact your GA for the approval process. • Individuals paid by Master Settlement Agreement (MSA) funds, state employees, and sub-grant fiduciary staff cannot be paid as speakers. • All approved speakers must sign a speaker agreement form and must address tobacco control and prevention areas. • Speakers presenting on multiple topics (alcohol, drugs, etc.) will not be wholly reimbursed by TPCP; only portions related to TPCP activities will be reimbursed. • All material presented must be reviewed and approved by TPCP before the presentation is given. • Cannot pay a speaker to present TPCP prepared presentations such as Power Point presentations located on TPCP Basecamp.	• Resume/Credentials • Topic of presentation • Speaker fee including rate per hour. • Itemized costs – all other expenses must be itemized, including travel, meals, lodging, and presentation materials, etc. • Audience information (location, anticipated reach, age group, etc.) • Signed speaker agreement form.

TRAVEL COSTS AND DOCUMENTATION

Travel expenses are allowable costs for employees on official business travel related to TPCP activities. Travel costs must be in accordance with travel limits listed in the tables below or the awardee organization's travel policy, whichever is the more stringent policy. **Travel reimbursement is not per diem and is to be claimed for actual expenses of meals.**

TPCP reimbursement **must not exceed per diem limits per meal** as set by the U.S. General Services Administration website. Always check the website before making

travel arrangements to assure you are using the most current rates for the time period you are traveling. For more information, see <http://www.gsa.gov/portal/content/104877>.
Note:

TPCP cannot reimburse the \$5.00 incidental expenses shown on this webpage.

Note: Out-of-state travel is allowed for statewide awardees only. GA must approve all out-of-state travel prior to obligation of travel funds. Statewide awardees should request approval a minimum of 28 days prior to the planned departure date: 14 days to get travel approved by TPCP and 14 days minimum to purchase airfare.

REGISTRATION FEES

Registration fees for TPCP- sponsored events, which are conducted by TPCP sub grantees or through TPCP sponsorships to other organizations, **are not an allowable expense for TPCP awardees.** TPCP receives free slots for these events. To attend, contact your GA for available slots.

Registration fees for non-TPCP-funded conferences and/or trainings are allowable but must be a part of a TPCP approved training request such as out-of-state travel for statewide awardees or non-TPCP training approval requests.

Eligible Items	Descriptions/Requirements	Documentation Required for Reimbursement
Registration Fees	- Allowable with TPCP approval - To get approval, submit a conference/training request form to your grant's administrator. - Ensure you make the request: 5 business days for an in-state event - Allow 28 days for an out-of-state event to allow for approval and a 14-day requirement for the purchase of airline tickets, if applicable. TPCP -funded awardees cannot pay a registration fee to attend a conference or training sponsored by another TPCP awardee	- Copy of invoice showing name of registrant. - Copy of conference agenda, etc. - Copy of TPCP approved Conference/Training Request Form. <u>NOTE:</u> Payment can be delayed and or question if grantee does not complete the required Conference Summary Document and report the event in RedCap.

LODGING

Lodging rate cannot to exceed the maximum allowable rate as listed in the U.S. General Services Administration (GSA) website. Be sure the check the GSA prior to travel as these rates can change seasonally. For more information, see

<http://www.gsa.gov/portal/content/104877>.

Eligible Items	Descriptions/Requirements	Documentation Required for Reimbursement
Lodging	- Hotel rates should follow the government rate. - The grantee must submit a waiver to exceed the government rate to TPCP Section Chief for approval before the grantee can secure lodging. - The waiver request will be determined at the discretion of TPCP based on hotel rates and locations. - Lodging reservations must be made directly with the hotel. - Grantees cannot use a third party such as Expedia or Reservations.com to book rooms. - If the traveler shares lodging space with others, the cost should be divided among others equally. - A separate invoice is required for each traveler. - Costs for movie rental, alcoholic beverages, etc. are not allowable costs. - Valet parking is not a reimbursable expense. Example: If a conference or event begins or ends within working hours (8:00am to 5:00pm Monday-Friday), TPCP will reimburse lodging expenses for the night before the event begins but not for the night after the event ends. Exceptions may be made on a case-by-case basis with prior approval from the TPCP Section Chief that approved the initial travel request.	- Itemized hotel receipt in the name of the traveler showing all charges by category (room costs, taxes, charges to room such as movies, room services, parking, etc.) - Copy of conference/meeting schedule containing information about registration fees and any food cost that might be included in the registration. - Waiver to exceed lodging, if applicable.

AIRFARE

Airfare is allowable for required trips out of state. All travel out of state must have prior approval. Only statewide awardees can request reimbursement for out-of-state travel expenses. Contact your TPCP Grants Administrator for approval for out-of-state travel.

Eligible Items	Descriptions/Requirements	Documentation Required for Reimbursement
Airfare	• Only coach travel is allowable for TPCP-funded airfare. • TPCP will reimburse for one checked bag per person. • Non-stop flights are not reimbursable unless they are cheaper than a flight with a stop to the same ending destination. • All out-of-state travel must be pre-approved by TPCP and submitted 28 days prior to expected departure. • Airfare that is not to be purchased before 14 days prior to the departure date will be denied and not reimbursed. • Cancellation fees may not be reimbursable. If there are unforeseen circumstances out of the control of the traveler or organization, a cancellation cost may be reimbursed. A request for consideration for payment stating the circumstances must be submitted to TOCP for review.	• Copy of airline ticket/costs. • Baggage receipt • Signed approval form for out-of-state travel. • If applicable, signed approval to pay for cancellation fees.

GROUND TRANSPORTATION

Ground transportation is allowable but only to and from worksite to airport, airport to hotel, or from hotel to convention/meeting site.

Eligible Items	Descriptions/Requirements	Documentation Required for Reimbursement
Ground Transportation	- Only coach travel is allowable for TPCP-funded airfare. - TPCP will reimburse for one checked bag per person. - Taxi, Lyft, Uber, etc. are allowable reimbursable expenses to and from hotel to airport or to and from place of lodging and meeting site. - Ground transportation to and from the airport from worksite is reimbursable if less expensive than parking at the airport and mileage reimbursement. - Parking fees for long-term parking at the airport is reimbursable but must coincide with air travel dates. - Ground transportation to and from restaurants or entertainment <u>is NOT a reimbursable expense.</u> - Driving to an out-of-state meeting requires prior approval from TPCP. The justification for driving must be less than the cost of flying. The estimated total cost must include all charges such as fuel, mileage, insurance, lodging, and meals.	- Copy of receipt (must have information on pick up and drop off location, date, and time.) - Copy of parking receipt or mileage reimbursement request. NOTE: All receipts must be identifiable as to purchase and must include location.

NOTE: Travel related to non-mandatory professional development trainings and workshops, must have prior approval from the assigned TPCP GA.

MEAL REIMBURSEMENT: FOR COORDINATOR TRAVEL

To claim meal reimbursement for breakfast, the traveler must be in travel status at or before 6:00am. For lunch, the travel must be in travel status at or before 10:30am for current day of travel or 2:00pm with an overnight stay the previous night. **NOTE:** Meal reimbursement for awardee-sponsored coalition meetings and trainings are covered under catering/food costs.

Eligible Items	Descriptions/Requirements	Documentation Required for Reimbursement
Meals (For Travel)	• To receive meal reimbursement, the traveler must have an <u>overnight lodging</u> and must <u>travel over 50 miles from work location</u> to destination to submit itemized receipts. • If the lodging cost includes breakfast, TPCP will not reimburse for breakfast. An exception might be applied to those who have dietary restrictions with prior approval. • If meals are included with a conference registration fee. TPCP will not reimburse for food purchased outside the conference. • An exception may be applied to those who have dietary restrictions. To claim an exception simply place a note with your request for reimbursement stating you have dietary restrictions and the food provided does not meet restrictive criteria. • The total daily meal costs for the first or last day of travel cannot exceed 75% of the daily amount excluding the \$5.00 incidental amount. • Tips on meals may be reimbursed up to 15% but not exceed per diem. • TPCP cannot reimburse the \$5.00 incidental expenses shown on the GSA.gov website. • TPCP will not reimburse grocery items claimed as a meal expense. An exception would be dietary restrictions noted above.	• Copy of • If applicable, signed approval to pay for cancellation fees.

MEAL REIMBURSEMENT SCENARIOS

The following scenarios are provided to assist with understanding travel costs. This list is not inclusive of all scenarios.

Obligation of Funds	
Scenario 1 The sub-grant coordinator attended a meeting from 9:00am to 4:00pm that was required by TPCP. The location was 35 miles from the coordinator's office, so no overnight lodging was required. Can the coordinator submit a meal receipt for reimbursement for lunch?	No Why? The event location was less than 50 miles from the coordinator's work site. Overnight travel is not reimbursable, and food costs are only reimbursable when traveling requires an overnight stay.
Scenario 2 The coordinator is at an event that requires overnight stay and is eligible for lunch and dinner on the same day. The coordinator wants to eat a large meal at lunch and a much smaller meal at night. Can the coordinator exceed lunch per diem if the total meal costs for the day will be well under the daily limit?	No Why? Reimbursement must be according to per diem limits for each meal. The traveler cannot save one meal cost be applied to another meal.

RENTAL CARS

Rental car purchases require prior written approval from TPCP granting permission to proceed. Grantees may rent a car to their destination when driving is more convenient and less expensive than airline or rail travel, or it is necessary to transport equipment or materials. The justification must include cost savings for car rental versus public/private vehicle or flying. The estimated total cost must include all charges, such as gasoline, mileage, insurance, etc. Full coverage insurance must be obtained from the rental car company when renting a vehicle. **NOTE:** Rental cars are for official business use only. Rental cars cannot be used to go to and from entertainment or shopping establishments.

Eligible Items	Descriptions/Requirements	Documentation Required for Reimbursement
Rental Car	- Requires written approval from TPCP. Contact your GA for the process. - Provide justification why a rental car is needed and include cost savings for car rental versus public/private vehicle or flying.	- Copy of written approval with justification. - Receipt of car rental agreement. - Log of where car was driven with mileage.

	• All persons who intend to drive the rental must be listed on the rental agreement for insurance purposes. • Full coverage insurance must be obtained from the rental car company when renting a vehicle.	• Gas purchase receipts that clearly show date, time, and store number or location.
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MILEAGE

Mileage reimbursement is allowable and reimbursable at the state rate of \$0.42 per mile. If the fiduciary organization allows at the higher rate, TPCP can reimburse only at the state rate of \$0.42 per mile. (This amount is subject to change based on current state/federal guidelines.)

Eligible Items	Descriptions/Requirements	Documentation Required for Reimbursement
Mileage Personal vehicle/Motor pool vehicle	Must maintain a mileage log that contains the following: ✓ Date of trip ✓ Starting location: Street and City ✓ Purpose of trip ✓ Lists mileage per trip and total miles per request. ✓ Requested reimbursement based on \$0.42 per mile. Must use Google Maps for mileage claims. Report miles traveled based on address-to-address miles in Google Maps using shortest distance. • Traveler should select the shortest distance to claim mileage reimbursement. • Travel requests should be made for TPCP required activities only. • Mileage is claimed to and from the official station unless an awardee travels straight from his/her residences to the destination. In this instance, the shorter distance is claimed. • Mileage to and from home to work is not reimbursable.	• Travel log with appropriate detail and signed by traveler and supervisor. • Awardees may use TPCP mileage travel form located on Base Camp. If using the organization's own form, the form must include all TPCP required elements.

SPONSORSHIPS

Sponsorships are budgeted in the Contractor/Consultant Services budget category in the Reimbursement Request Workbook. Sponsorships are limited to statewide awardees and all sponsorships must be pre-approved by TPCP. Awardees must submit requests along with the logo placement and messaging. Submit requests for logo placement and messaging on the TPCP Health Communication Media Approval Form. For details on how to request sponsorship funding, contact your assigned Grants Administrator (GA).

Eligible Items	Descriptions/Requirements	Documentation Required for Reimbursement
Sponsorships Statewide Awardees Only	• Must be pre-approved by awardee's GA and ADH management. • Sponsored events must reflect positively on TPCP and not detract from the TPCP mission. • A completed communication form is required. • Logos require approval.	• Receipt for sponsorship. • . list of benefits received for sponsorship. • Approval form

LEARNING TOOLS

Learning tools will be budgeted in the Reimbursement Request Workbook under the M&O category in the Reimbursement Request Workbook. Learning tools are items like Mr. Gross Mouth, tarred lung model, etc. Note: Journey Works pamphlets will be recorded in this line item as well even though they will be given out to the public. All items over \$500 will need your GA's approval.

Eligible Items	Descriptions/Requirements	Documentation Required for Reimbursement
Learning Tools Examples	• All items over \$500 must be pre-approved by the awardee's GA. • Must be used for tobacco education. • All items \$500 or more will require three quotes.	• Invoice • Approval form • If applicable, three quotes

MEDIA

All media requests must be submitted to the ADH Office of Health Communication (OHC) for approval. Awardees should not contact TPCP regarding media request unless it deals with budget amounts or reimbursement request. Awardees that have complaints or concerns about the Media approval process should talk directly with the ADH OHC. **TPCP has no input on this process.**

Eligible Items	Descriptions/Requirements	Documentation Required for Reimbursement
Approved Media	• All media items related to TPCP grants must be pre-approved before launch by ADH OHC. • Sub-grantee will contact ADH Office of Communication for all media reviews and approval prior to obligation of funds. • Media budgets will be set at the beginning of the year and cannot be increased but may be decreased with a budget adjustment request.	• Copy of an itemized invoice from the vendor that provided the services. • Copy of radio or TV script, picture of promotion items showing messaging/logos. • Copy of approved Office of Communication Approval Form.

EDUCATIONAL ITEMS

Educational items are included as a part of the Media and Health Communications budget subcategory and are items distributed to the public that include an educational message. All educational item approvals will be submitted directly to the ADH Office of Health Communications for review and approval.

Eligible Items	Descriptions/Requirements	Documentation Required for Reimbursement
Approved Media	• All items must be approved by OHC. • Logos require approval from OHC. • Must include a tobacco education message.	• Invoice for items. • Completed approval form.

SECTION IV – ADMINISTRATIVE GUIDELINES

DIRECT COSTS

Direct costs are costs that can be tracked directly to TPCP events or activities in the work plan. Examples of allowable direct costs include:

- Salary and fringe benefits for the coordinator.
- Supplies used by the coordinator to carry out the activities of the work plan.
- Equipment for the coordinator that is deemed necessary.
- Media and educational items.
- Cell phone and internet service for the coordinator.
- Contractor services for the purpose of carrying out TPCP work plan activities.
- Coordinator travel costs.
- Meeting and event costs (e.g. facility rental, catering)
- Duplication/copying of program-related materials.

INDIRECT AND ADMINISTRATIVE COSTS

Indirect/Administrative Costs are costs associated with activities or services that benefit more than one project, to include TPCP. Organizations are allowed to charge indirect/administrative costs of up to 10% of the total expensed direct costs. Examples of indirect/administrative costs include:

- Utilities
- Rent/Lease
- Bookkeeping/Accounting
- Audit fees
- General administration fees
- Equipment fees

Organizations cannot charge more indirect/administrative costs than are documented in the general ledger and the amount cannot exceed 10% of the total expensed direct costs. For example: The indirect cost amount approved in the budget is \$5,000 but only \$4,000 can be documented based on the total direct cost expended; therefore, the organization can only be reimbursed \$4,000.

PROPERTY MANAGEMENT

Equipment purchased of \$500 or greater must be approved by TPCP prior to purchase. If new equipment is purchased when suitable equipment is already available within the organization, the purchase will be considered an unnecessary cost and will not be reimbursed.

Organizations must establish/maintain an effective property management system. Awardees are required to track items with an acquisition of \$500 or greater. The procedure used for maintaining equipment acquired, in whole or in part, with TPCP funds (including replacements) should, at a minimum, meet the following requirements:

- **Description of the property**
- **Serial number or other identification number**
- **Acquisition date**
- **Cost of the property**
- **Percentage of TPCP participation in the cost of the property along with other funds used to purchase property if applicable.**
- **Location of the property and individual name or title of position using the property.**
- **Use and condition of the property.**
- **Disposition data, including the date of disposal and sale price or disposal method.**
- **A physical inventory of the property and reconciliation of the results must be completed at least once every two years.**

Organizations are responsible for replacing or repairing property that is lost, stolen, damaged, or destroyed. Awardees must investigate and fully document any loss, damage, or theft of property and make the documentation part of the official project records. Organizations must:

- **Have a control system in place with adequate safeguards to prevent the loss, theft, and damage of equipment.**
- **Promptly and properly investigate any loss, damage, or theft.**
- **Establish and use adequate maintenance procedures to keep property in good condition.**

Organizations no longer funded by TPCP should contact TPCP to determine the disposition of all equipment purchased with TPCP funds. A written response will be sent to the awardee with instructions on the disposition of each item.

PROCUREMENT

There are times when it may be necessary to procure goods and/or services to accomplish the activities approved in the work plan. For example, it may be necessary to purchase equipment or contract for services that the recipient does not have in-house. Recipients must adhere to the following procurement standards when procuring goods and services.

GENERAL

At a minimum, TPCP expects all contracted services to be competitively bid using at least three quotes. Examples include media costs, catering costs, and professional services.

ADEQUATE COMPETITION

All procurement transactions, whether negotiated or competitively bid without regard to dollar value, must be conducted in a manner to provide maximum open and free competition.

NON-COMPETITIVE PRACTICES

Awardees must be alert to organizational conflicts of interest or non-competitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade.

CONTRACTOR/CONSULTANT SERVICES

The Contractor/Consultant Services budget category must be used when sponsoring an event, contracting for a service, hiring an individual as an event speaker, or receiving professional advice or services (e.g. training, expert consultant, etc.) but not as an employee of the awardee organization. TPCP must approve all contractors and consultants prior to obligation of funds. Contact your assigned GA for requirements and approval process.

CONFLICT OF INTEREST

To avoid any perception of conflict of interest. TPCP will not reimburse any organization or individual that is funded by TPCP for services or products if those services or products are being provided by that individual or organization or if the individual or organization has vested financial interest in the company that provides the products or services. TPCP will not pay for services/products if the TPCP-funded person or organization will gain from the transaction directly or indirectly (e.g., receiving discounts or gifts because of the transaction.)

Definition: A conflict of interest is a set of circumstances that creates a risk that professional judgment or actions regarding a primary interest will be unduly influenced by a secondary interest. Conflict exists whether or not a particular individual is actually influenced by a secondary interest. It exists if the circumstances are reasonably believed (on the basis of past experience and objective evidence) to create a risk that decisions may be unduly influenced by secondary interests.

Typical conflict of interest issues includes:

- **Purchasing goods or services from, or hiring an individual from, a related party such as a family member or business associated with an employee of the sub-grant organization.**
- **Vendor selection accomplished without a fair and transparent process free of undue influence.**
- **Consultant services selected without a fair selection process, reasonable pay rates, and specific verifiable work products.**

FRAUD AWARENESS AND LEGAL COMPLIANCE

As stated in Item VI (A) in the Sub-Grant Agreement (FIN-9600), "Performance of this sub-grant by the Recipient and the Department must comply with state and federal laws and regulations." Any evidence of fraud or other criminal conduct will be referred to the appropriate investigation organization as warranted for any necessary action.

PRINTING

Arkansas law ACA19-11*201(30) (a) & (b) requires all government agencies as well as awardees funded by the state to competitively bid on printing jobs. Printing is defined as transferring images, by the use of a standard industrial-type printer ink, upon documents such as letterhead, envelopes, pamphlets, booklets, and forms.

FINAL PAYMENT

TPCP requires awardees to request reimbursement prior to the end of the fiscal year (June 30) for those costs that are reoccurring and are known such as administrative cost, rental agreements, payroll, etc. reimbursement should be submitted **no later than June 15.** Expenditures incurred after June 15 should be requested for reimbursement as soon as possible but no later than July 31. The invoice submitted on June 15 and the final request for reimbursement on or before July 31 must be reconciled no later than August 15. Any overpayment to the awardee must be returned to TPCP with a revised invoice and supporting documents by August 15.

NOTE: Expenses not supported with backup documentation will not be reimbursed until appropriate documentation is provided. A lack of complete documentation could delay receipt of monthly reimbursement payments.

CAUTION: Awardees must pay vendors from itemized invoices received from the vendor. Awardees are never to create invoices for their vendors.

DOCUMENTATION OF EXPENSES

TPCP requires backup documentation (source documents) for all expenses that are submitted with the monthly invoice. A source document is a written document that provides details of a transaction and evidence that the transaction took place. Source documents must be legible and must relate to the proper time periods and event. Statements from vendors and credit card transaction slips are not acceptable as complete supporting documentation of expenses as they lack necessary details about the transaction. Although a general ledger (G/L) listing payments is used for audit purposes, it cannot be used solely to document an expense. The chart below shows source documents that should be maintained and submitted with only invoices to document expenses.

Common Source Document Used as Backup for TPCP Grant Expenses

- Personal travel reimbursements - Mileage logs - Vendor invoices - Store receipt - Purchase orders - Contract agreements. - Credit memos - Petty cash records - Deposit records - Bank statements - Time and attendance records - Work activity reports - Leave records - TPCP approval forms	- Hire and pay records. - Accounting records/general ledgers - Tax documents - Travel documents - Board/coalition meeting minutes - Cancelled checks. - Cost allocation plans - Agendas - Sign-in sheets - Asset records (purchase, inventory, and disposal) - TPCP Approval forms - Cash register receipts
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Source documents should show who, what, when, where, and quantity and cost of the goods or services purchased. Source documents must be legible. An invoice provided as backup documentation should include the following information:

- ✓ Name and address of the company
- ✓ Phone number
- ✓ Invoice date and invoice number
- ✓ Contract number or other authorization for supplies delivered or services performed (including order number and contract line-item number)
- ✓ Description, quantity, unit of measure, unit price, and extended price of supplies delivered, or services performed.
- ✓ Shipping and payment terms (e.g., shipment number and date of shipment, discount for prompt payment terms)
- ✓ Date of services
- ✓ Total of invoice including taxes
- ✓ Taxpayer Identification Number

SECTION V – BUDGET ADJUSTMENTS

A budget adjustment occurs when the awardee determines that a project can be improved if funds are moved from one budget category to another within the current budget period. The budget serves as the awardee's financial plan to carry out work plan activities. Budget adjustments will require a formal request for a budget adjustment and approval from TPCP. There must be a compelling programmatic justification and rationale for changes and the changes must be in keeping with the intended goals and objectives of the sub-grant agreement. Failure to obtain prior approval could result in disallowed costs.

NOTE: All budget adjustment requests should be submitted to TPCP on or before April 15 of each grant cycle.

Budget Adjustments are needed when funds are moved from one category to another category, or they meet one of the criteria below. **Awardees can manage line items funds movement within a category at the local level.** The budget categories are as follows: Salary, Fringe, M&O, Media, Contracting, Equipment, Travel, and Indirect Cost Rate.

Prior approval for budget adjustment is required for the following:

- Alternative use of salary support. **CAUTION: A full-time coordinator is required.**
- Earning program income
- Changes in personnel or FTE status
- Changes involving line items that have a required percentage of expenditures such as media.
- Any budget adjustment between budget categories.

NOTE: Budget categories must never be exceeded (no negative balances).

To request a budget adjustment, organizations must submit a request to their assigned GA. The coordinator and an authorized signer of the fiscal agent must sign budget adjustments. Required documents are as follows:

- A completed TPCP Budget Adjustment Request Form. The Budget Adjustment Request Form is located at the bottom of each tab inside of your Reimbursement Excel Workbook.

NOTE: **Awardees may not implement any changes until the approval form has been returned to them noting TPCP's approval.** Any changes enacted prior to notification of approval may be disallowed or may become a monitoring finding and are done so at the awardee's own risk. Receipt and review of a change request does not imply or indicate pending approval. Approval of a sub-grant agreement modification is

dependent upon a justifiable programmatic and/or fiscal need that will be of direct benefit to the project and is permissible under the established sub-grant parameters. Be sure to review the approved modification. In some cases, partial approval may be granted or TPCP may have changed budget information during the review/approval process.

Requests for changes will be considered only if both financial and program-reporting requirements are current and terms and conditions of the agreement have been met at the time the request is made.

SECTION VI – ADDITIONAL REQUIRED DOCUMENT

The awardee is required to submit a **Contract and Grant Disclosure and Certification Form** when there are changes to staff or board members to ensure open disclosure of governmental/legislative affiliations. See Appendix IV.

SECTION VII – GRANT CANCELLATION

Per the sub-grant agreement, TPCP and the awardee agree that either party may cancel the current agreement unilaterally at any time by giving the other party thirty (30) calendar days' written notice and delivering notice of cancellation either in person or by certified mail, return receipt requested, or restricted delivery. Cancellation notices must be sent to the ADH authorized representative with a copy sent to TPCP.

SECTION VIII – GRANT MONITORING

Monitoring involves the review of accounting information using a paper trail to prove transactions are accurate and can be allocated to the TPCP sub-grant. A paper trail provides a complete history of any given financial transaction by identifying each step in the process from the initiation of transaction all the way through to the completion of the transaction. TPCP will conduct either a desk audit or an onsite monitoring review annually on each organization that is funded. An inability to implement the grant effectively in both programmatic and financial matters may result in cancellation of the agreement.

The monitor will request a copy of the organization's general ledger (in Excel) of all expenses charged to the TPCP sub-grant for the specific period that is being reviewed – usually the last completed grant cycle but may include a review of current year transactions. Other documents that may be requested include payroll verification, leave ledgers, employee leave requests and timesheets, bank statements, quarterly tax reports, etc.

Examples of tests that will be performed include:

- A comparison of expenses reported to TPCP and those recorded in the general ledger.
- A comparison of total expenses to total funds requested.
- Tracing selected expenses through the organization's accounting system.
- Reviewing selected expenses and applying the allowability test to determine if allowable.
- A comparison of wages requested, and wages paid.
- A comparison of timesheet records and payroll records.
- A comparison of leave that has been earned, and leave taken.
- Tracing payroll through the bank account.
- Ensuring that the required taxes are paid and filed on time.

Examples of some common findings include:

- Charging budgeted amount rather than actual amount.
- Insufficient time and leave records.
- No documentation to support a transaction.
- Using cash to pay a vendor.
- Charging prior year costs to current year award.
- Documentation does not support expenses.
- Purchasing unallowable items.
- Dual billing – billing two different grants for the same costs.
- Excessive mileage claims – not using Google Maps mileage.
- The amount requested does not equal the amount expended.
- Not maintaining accounting records or supporting documentation.

ITEMS/TRANSACTIONS REQUIRING PRIOR APPROVAL FROM TPCP

Prior approval means that you must obtain approval from TPCP before you purchase an item or engage in any obligation to expend TPCP funds. Below is a list of items that require prior approval. Please contact your assigned GA for instructions on how to obtain approval for the items requiring prior approval.

NOTE: Obligating TPCP funds **before** obtaining necessary documented approval from TPCP constitutes an after-the-fact situation, which may result in disallowed costs.

Items Needing TPCP Approval	Approval Form/Basecamp	Approval/Contract Person
Booth/Room Rentals		Grants Administrator
Budget Adjustments	Budget Adjustment Form	TPCP Section Chief
Contractors/Consultants		TPCP Section Chief
Conferences/Training	Conference/Training Approval Form	Grants Administrator
Equipment Purchase over \$500	Equipment Purchase Request Form	Grants Administrator
Learning Tools over \$500	Learning Tool Request Form	Grants Administrator
Lodging Expense in Excess of Per Diem	Waiver to Exceed Lodging Form	TPCP Section Chief
Media and Promotional Items	Media Approval Form	Office of Health Communications
Out-of-State Travel	Conference/Training Approval Form	TPCP Section Chief
Registration Fees	Conference/Training Approval Form	Grants Administrator
Speakers/Presentation		TPCP Section Chief
Sponsorships	Media Approval Form	TPCP Section Chief/Office of Health Communications
Travel Non TPCP Paid Individuals		TPCP Section Chief
Vehicle Rental	Vehicle Rental Approval Form	TPCP Section Chief

I _____ acknowledge that I have read the TPCP Compliance and Financial Guide for Subgrant Awardees. I understand that in order to be reimbursed as part of this subgrant, the rules within this document must be followed. I also understand that should I have questions regarding any part of this document, or the procedures contained within it, I should reach out to the grant administrator in the Tobacco Prevention and Cessation Program, or their supervisor if they are not available.

Printed Name _____

Name of Organization _____

Job Title _____

Signature _____

Date _____

SIGN IN SHEET

PROJECT:		MEETING DATE:	
FACILITATOR:		LOCATION:	

[illegible]☐

CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Failure to complete all of the following information may result in a delay in obtaining a contract, lease, purchase agreement, or grant award with any Arkansas State Agency.

SUBCONTRACTOR:

SUBCONTRACTOR NAME:

☐ Yes ☐ No

IS THIS FOR:

☐ Goods?

☐ Services? ☐ Both?

TAXPAYER ID NAME:

YOUR LAST NAME:

FIRST NAME:

M.I.:

ADDRESS:

CITY:

STATE:

ZIP CODE:

COUNTRY:

AS A CONDITION OF OBTAINING, EXTENDING, AMENDING, OR RENEWING A CONTRACT, LEASE, PURCHASE AGREEMENT, OR GRANT AWARD WITH ANY ARKANSAS STATE AGENCY, THE FOLLOWING INFORMATION MUST BE DISCLOSED:

FOR INDIVIDUALS*

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse is a current or former: member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee:

Position Held	Mark <u>(X)</u>		Name of Position of Job Held [senator, representative, name of board/ commission, data entry, etc.]	For How Long?		What is the person(s) name and how are they related to you? [i.e., Jane Q. Public, spouse, John Q. Public, Jr., child, etc.]	
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Relation
General Assembly							
Constitutional Officer							
State Board or Commission Member							
State Employee							

☐ None of the above applies

FOR AN ENTITY (BUSINESS)*

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

Position Held	Mark <u>(X)</u>		Name of Position of Job Held [senator, representative, name of board/commission, data entry, etc.]	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?		
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Ownership Interest (%)	Position of Control
General Assembly								
Constitutional Officer								
State Board or Commission Member								
State Employee								

☐ None of the above applies

Contract and Grant Disclosure and Certification Form

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

As an additional condition of obtaining, extending, amending, or renewing a contract with a state agency I agree as follows:

1. Prior to entering into any agreement with any subcontractor, prior or subsequent to the contract date, I will require the subcontractor to complete a **CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM**. Subcontractor shall mean any person or entity with whom I enter an agreement whereby I assign or otherwise delegate to the person or entity, for consideration, all, or any part, of the performance required of me under the terms of my contract with the state agency.

2. I will include the following language as a part of any agreement with a subcontractor:

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.

3. No later than ten (10) days after entering into any agreement with a subcontractor, whether prior or subsequent to the contract date, I will mail a copy of the **CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM** completed by the subcontractor and a statement containing the dollar amount of the subcontract to the state agency.

I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.

Signature _____ Title _____ Date _____

Vendor Contact Person _____ Title _____ Phone No. _____

Agency use only

Agency	Agency	Agency	Contact	Contract
Number _____	Name _____	Contact Person _____	Phone No. _____	or Grant No. _____