

Division of Family and Children Services Administrative Policies and Procedures Manual	Section: Administrative Part: 202 Page: 1 of 6 Date: March 2021
Title: <b>Local Funds</b>	

## Overview of Local Funds

- A. Each year the county DFCS offices proactively seek out additional funding from local entities to supplement their budgets in meeting specific needs. The local entities could be the city or county government, local hospitals, board of education and others. The Division refers to these funds as “County Funds”.

**NOTE: Each year the DFCS County Director will request from the County Commissioners that their budget and fund balance for the year just completed be used at the DFCS director’s discretion and must be used in a prudent business fashion.** Line item specific budgets require approval by the County Commissioners for any changes in the use of a line item specific budget.

**NOTE:** Expenditures solely for the benefit of employees whether the budget is discretionary or line item must comply with DHS and State Personnel Board rules governing employee compensation, including but not limited to supplements, furloughs, gifts or gratuities.

**NOTE:** County Funds that are unspent at the end of each budget year must have the county commissioner’s approval to be maintained in the Fund Balance or Cash Advance accounts. This needs to be documented in the meeting minutes or in the original approved budget documents.

The additional funding is to be used as directed from the local entity. All funding whether from federal, state or local entities has to have an approved budget in place before any expenditure can be made.

- B. Local funds are subject to the same internal control policy and procedures governing state and federal funds. The state DFCS Procurement Services Department’s approval **is not required** when requesting to use local funds where the total dollar value of the request is under \$500. When the total dollar value of the request is over \$500; the state DFCS Procurement Services Department’s approval **is required** prior to making a purchase. County offices should utilize either: 1) the Supplies & Equipment Request form or 2) the Special Needs Request form when requesting supplies and/or other procurement needs.

**Local entity funds can be used for the following specific needs outlined below.** Broad categories **must** be specified and approved in the county’s budget. The yearly county budget will be approved by the entity (County Commission, City Council, etc.), AND the local DFCS County Board. For expenditures outside of the regularly approved county budget Board Member approval **must** be documented in the board minutes, and the minutes should be forwarded with the request form to the state DFCS Procurement Services Department for approval. Once approved it should be forwarded to regional accounting for payment processing. Expenditures may include the following:

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- Travel
- Regular Operating Cost
- Equipment and related supplies
  - 1) Appliances are allowable, but **must** have a client benefit justification when submitting the request form to the state DFCS Procurement Services Department for approval.
  - 2) Supplies such as general office supplies, coffee supplies, and water supplies are allowable. Please Note: Before installing **any** equipment in a facility you must receive state DFCS Facilities Services Department approval. “Installing/Installation” includes but is not limited to opening walls, hooking equipment to a water source etc.
- Foster Care Expenses  
These expenditures include the following, and **do not** require state DFCS Procurement Services approval: haircuts, allowances, musical instruments/lessons, diapers, school activity fees, camps, photo packages, and any other programmatic need.
- General Assistance to Clients (Indigent Care)  
**Do not** require state DFCS Procurement Services approval.
- Meetings/Events  
Meetings/Events are inclusive of the following: Staff meetings, Staff Luncheons, Meet and Greet Events, and County Board meetings all of which local funds or the county restricted funds account **must be** used.
  - 1) If providing meals and/or refreshments for the meeting or event there is a \$25 per person limit on food and drinks.
  - 2) If providing meals and/or refreshments; supplies such as cups, plates, napkins, and utensils are allowable.
  - 3) For all meetings/events along with the board approved minutes, you must also submit an agenda with the Special Needs Request form to the state DFCS Procurement Services Department prior to the event for approval. The approval, board minutes, agenda, and a sign in sheet should then be presented to regional accounting for payment.

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- 4) Trainings, Road Shows, Law enforcement events and other state mandated events **are not** allowable using local funds. These events must be paid using state funds. An agenda, sign-in sheet, and other documentation will be required for approval.
  - 5) Meals and/or refreshments for an all-day trainings may be charged against state funds. The cost of the meals/refreshments for multi-county trainings will be prorated among all attendees and charged as a registration fee against each county's budget as appropriate.
  - 6) Certificates or plaques of merit or achievement, follow Policy 803 of the DHS Personnel Policies titled Incentive Pay and Meritorious Awards. A Retirement Plaque and/or Certificate will be provided from the state office in appreciation for an employee's years of service. A request must be submitted to the state office CFO's administrative assistant no later than 60 days from the date of the employee's retirement for processing.
  - 7) Funds received from Interest on County CD's and Savings accounts should remain on the DFCS' books, and will be considered County Funds. These funds can be used for Staff Appreciation Day Luncheons where a meeting and luncheon occurs, an agenda for the meeting, as well as a sign in sheet, must be attached to the payment as supporting documentation.
- **Membership Application Fees**  
Membership Fees include fees to organizations that through membership and/or participation in the organization fits with the mission and purpose of DFCS/DHS (e.g. County Chamber of Commerce, County Lions Club etc.). Membership Fees should be paid using local/county funds, but if local/county funds have been verified as not available then state funds may be utilized. **The Membership Fees Authorization Form should be filled out and signed by the County Director. The form and board approved minutes outlining the membership fees amount should then be forwarded to the Sr. Director of Fiscal Services for approval. Once the request is approved, the Sr. Director of Fiscal Services will forward the membership form to regional accounting for processing.**
  - **Christmas Gifts for Foster Children**  
Christmas gift requests **must have** a budget per child amount and the total spending limit amount should be approved in the board minutes.
    - 1) A county can choose to go shopping for the child, but a Special Needs request form **must** be filled out and forwarded to the state DFCS Procurement Services department along with the board approved minutes prior to making the purchase. Then the request form, approval and board minutes should be forwarded to regional accounting for payment processing.

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- 2) Counties can elect to give the funds to the foster parent to go shopping, but each county **must** complete and submit the ADPOR to their regional accounting office for each foster parent; listing each child's name and the amount they received. The foster parents will be required to submit the receipts by the last day of February of the following year. Failure to do so will result in the funds being recouped from the foster parents February reimbursement.
- 3) Gift Cards **are not** allowable using local or state funds.
  - Facility repairs and maintenance  
Any facility repairs and/or maintenance costs **must be** approved by the DFCS Facility Services department.

NOTE: If using DHS or DFCS logos on any items, you must receive approval from the DFCS Communications Director and the state DFCS Procurement Services Department prior to making the purchase.

NOTE: (O.C.G.A. Section 50-5-79).

#### **1.5.7 Purchases Contrary to Procurement Rules**

**A purchase that is contrary to the rules and regulations established by State Purchasing Division shall be void and of no effect. Any official of a state entity or institution who willfully purchases or causes to be purchased any materials, supplies or equipment contrary to the rules and regulations will be personally liable for the cost thereof. If paid for from state funds, the amount may be recovered in the name of the state**

**NOTE: Local entity funds that are on the local DFCS' books cannot be used for state employee gratuities in the form of cash payments or gift cards.**

The following items are **prohibited** and are considered **not allowable**. Examples of prohibited items include but are not limited to:

- Gift cards of any type to an employee, child, foster parent or client
- Replacement salary for furlough days
- Out of pocket cost incurred by an employee while on the job, such as insurance deductibles if in an accident, towing, speeding tickets, parking tickets, etc.
- Equipment and/or Supplies contrary to state purchasing guidelines, and that do not have a direct client justification. Items for personal use are prohibited (O.C.G.A. Section 50-5-80)

D. County funds may also be used to provide additional compensation for agency staff. When approving funds for the purpose of compensating employees within the county

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DFCS office, use of these county funds must comply with state policy as well as IRS guidelines for appropriate compensation of state employees.

There is no authority, regardless of the funding source, for awarding across the board bonuses to state employees. Providing a bonus or other form of lump sum payment without specific authority to do so would violate the gratuities provision of the state constitution.

Examples of appropriate compensation expenditures include:

- Salary and fringe benefits
- Temporary or conditional salary supplements
- Ongoing salary supplements
- Lump sum incentive based payments

Payment of salary and fringe benefits may be used to augment local operations.

Temporary or conditional salary supplements may be used in the same manner as state funded supplemental pay when state funds are not available.

Ongoing local funded salary supplements may be used to support retention efforts by the agency. A plan for providing monthly supplements must be submitted for review to state personnel by the Division before payments may be scheduled to begin. The plan must be funded for a minimum of one year, include all job titles to receive the supplement, and give any specific inclusion criteria such as tenure. All incumbents in a job title must be included when they meet other inclusion criteria.

Using County Funds for the purpose of compensating staff such as county supplements requires the approval of the Office of Human Resources (OHR), Assistant Division Director of Field Operations, Deputy Director, and the Division Director (or designee).

Local funds may be used for one-time lump sum payments for incentive or meritorious awards. Plans for lump sum payments to state employees must meet the provisions of DHS Personnel Policy #803, Incentive Pay and Meritorious Awards.

- Incentive pay is a one-time lump sum payment and must be based on achievement of a pre-determined goal which does not become part of an employee's base salary.
- Meritorious award payments are a one-time lump sum payment based on extraordinary achievement which does not become part of base salary.

E. The local DFCS office receives funds from the local entities in one of two ways.

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One is the local entity reimburses the DFCS office for all approved county expenditures that were expensed during that month. Usually, a statement/invoice is prepared by the regional accounting office detailing the expenditures, based on the needs of the local entity, and submits to the local entity for reimbursement. The local entity then sends the DFCS office a check for the amount requested. The reimbursement should be received the following month since state funds are used initially to pay for these expenditures.

The second way the DFCS office receives funds from the local entity is called a Cash Advance. The local entity decides at the beginning of the fiscal year to advance the DFCS office a portion of their approved budgeted funds (e.g., monthly, quarterly or semi-annually).

F. A Surplus of local funds (often referred to as “Fund Balance”) at the end of the fiscal year means that the DFCS office did not spend all of the funds that were advanced to them during the year. Depending on the agreement between the DFCS office and the local entity, the surplus funds should be accounted for as follows:

- 1) Return the surplus to the local entity if this is the agreement.
- 2) Retain the surplus as agreed in writing from the local entity, it is permissible to leave the balance in the cash advance account to be used in the county’s next fiscal year. Leaving the funds in this account means they will not have to ask for special permission to use them.
- 3) Retain the surplus as agreed in writing from the local entity and move the balance to your Restricted Fund’s Fund Balance account to be used at a later date, which would require approval from the DFCS County Board at the time used.

\*\*\*NOTE ABOUT THE USE OF FUND BALANCE: Expenditures out of the County Fund Balance will **always** require the approval of the local DFCS county Board. This may be discussed and approved in a regular board meeting, and the approval noted in the minutes.

G. A Deficit of local funds at end of the fiscal year means the DFCS office overspent the amount budgeted by the local entity. If the local entity does not agree to reimburse for the amount overspent, the DFCS office will have to cover the overage with monies from their Fund Balance account.