

**FAMILY PLANNING PROGRAM****SECTION:** Fiscal Administration**POLICY AND PROCEDURE MANUAL****SUBJECT:** Financial Policies and Procedures

**POLICY:** Delegate agencies shall develop and maintain financial policies and procedures.

**GUIDELINES:**

1. The delegate agencies shall maintain financial policies and procedures which ensure that the agency meets financial management system standards.
2. Agencies shall ensure:
  - a. financial reporting that is accurate, current, and complete.
  - b. records which adequately identify the source and application of grant supported activities are maintained.
  - c. effective control and accountability is maintained for grant and grant generated income, real and personal property.
  - d. adequate separation of duties for preparation and maintenance of financial reports and records.
  - e. cash receipts are properly controlled.
  - f. budgetary controls which preclude obligations in excess of funds approved for agency's budget by category.
  - g. the payment of expenses which are identified as allowable within subpart Q of the Department of Human Services Administration of Grants-Federal Regulations Title 45 Part 74.
3. Agencies are encouraged to maintain a double entry system of bookkeeping.
4. Agencies shall maintain a chart of accounts.
5. Agencies shall maintain fidelity bond coverage for all employees who receive or disburse funds.
6. Agencies shall maintain property and casualty insurance for the facility. The property insurance must also cover the contraceptive supply and medications inventory.
7. Title X projects offering services that are not required by the statute, regulation or guidelines should whenever possible seek other sources of funding for such services before applying Title X funds to these activities.
8. Agencies shall review the financial policies on an annual basis.

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## References:

1. \*Further clarification of allowable/unallowable costs may be found in the Appendix of this section under "7. Costs Under PHS Grant Supported Projects/Activities" from PHS Grants Policy Statement - U.S. Department of Human Services, Rev. April 1, 1994.
2. Program Guidelines for Project Grants for Family Planning Services, 2001, p. 7-8, Section 6.3, Financial Management.
3. Subpart C of 45 CFR Part 74, Department of Health and Human Services, Administration of Grants