

YEAR	GRANT NAME	SOURCE	BUDGET AMOUNT	EXPENDITURE AMOUNT
2019-2020	Migrant & Seasonal Head Start Grant	Federal - HHS	\$ 2,201,027.00	\$ 1,935,777.23
2020-2021	Migrant & Seasonal Head Start Grant	Federal - HHS	\$ 220,364.00	\$ 1,665,111.77
2021-2022	Migrant & Seasonal Head Start Grant	Federal - HHS	\$ 2,319,641.00	\$ 1,649,679.52
2020-2021	Migrant & Seasonal Head Start Grant - CARES	Federal - HHS	\$ 139,730.00	\$ 48,129.05
2021-2022	Migrant & Seasonal Head Start Grant - CARES	Federal - HHS	\$ 91,600.00	\$ 44,922.52
2021-2022	Region XII Head Start Grant - CRRSA	Federal - HHS	\$ 47,854.00	\$ 15,071.98
2021-2022	Region XII Head Start Grant - ARPA	Federal - HHS	\$ 190,244.00	\$ 3,906.57
2019-2020	Early Head Start & Head Start Grant	Federal - HHS	\$ 1,717,839.00	\$ 1,703,521.26
2020-2021	Early Head Start & Head Start Grant	Federal - HHS	\$ 1,595,669.00	\$ 1,532,511.87
2021-2022	Early Head Start & Head Start Grant	Federal - HHS	\$ 1,614,817.00	\$ 1,492,579.17
2020-2021	Early Head Start & Head Start Grant - CARES	Federal - HHS	\$ 166,095.00	\$ 61,799.81
2021-2022	Early Head Start & Head Start Grant - CARES	Federal - HHS	\$ 104,295.00	\$ 58,563.92
2021-2022	Region VI Head Start Grant - CRRSA	Federal - HHS	\$ 154,698.00	\$ 72,057.90
2021-2022	Region VI Head Start Grant - ARPA	Federal - HHS	\$ 615,001.00	\$ 251,177.15
2020-2021	Head Start Grant - CARES	Federal - HHS	\$ 285,612.00	\$ 95,835.83
2019-2020	Head Start Grant	Federal - HHS	\$ 2,247,030.00	\$ 2,218,953.64
2020-2021	Head Start Grant	Federal - HHS	\$ 2,241,915.00	\$ 2,051,201.44
2021-2022	Head Start Grant	Federal - HHS	\$ 2,268,890.00	\$ 2,045,356.25
2021-2023	ARP Childcare Grant - Operation	Sub-Grantee through the State - HHS	\$ 362,500.00	\$ -
2021-2023	ARP Childcare Grant - Quality Improvement	Sub-Grantee through the State - HHS	\$ 459,500.00	\$ 44,755.75
2019-2020	USDA - Arkansas	Sub-Grantee through the State - USDA	\$ 440,089.34	\$ 440,089.34
2020-2021	USDA - Arkansas	Sub-Grantee through the State - USDA	\$ 113,610.72	\$ 113,610.72
2021-2022	USDA - Arkansas	Sub-Grantee through the State - USDA	\$ 270,560.68	\$ 270,560.68
2019-2020	USDA - Louisiana	Sub-Grantee through the State - USDA	\$ 52,073.27	\$ 52,073.27
2020-2021	USDA - Louisiana	Sub-Grantee through the State - USDA	\$ 12,678.75	\$ 12,678.75
2021-2022	USDA - Louisiana	Sub-Grantee through the State - USDA	\$ 23,533.77	\$ 23,533.77
2019-2020	Community Services Block Grant	Sub-Grantee through the State - HHS	\$ 401,609.00	\$ 394,717.02
2020-2021	Community Services Block Grant	Sub-Grantee through the State - HHS	\$ 404,332.00	\$ 382,355.98
2021-2022	Community Services Block Grant	Sub-Grantee through the State - HHS	\$ 404,332.00	\$ 159,529.58
2019-2020	Community Services Block Carryover Grant	Sub-Grantee through the State - HHS	\$ 21,810.00	\$ 21,810.00
2020-2021	Community Services Block Carryover Grant	Sub-Grantee through the State - HHS	\$ 6,891.00	\$ 6,891.00
2021-2022	Community Services Block Carryover Grant	Sub-Grantee through the State - HHS	\$ 21,976.00	\$ 5,870.00
2019-2021	Community Services Block Discretionary Grant	Sub-Grantee through the State - HHS	\$ 57,642.94	\$ 57,642.94
2021-2022	Community Services Block Discretionary Grant	Sub-Grantee through the State - HHS	\$ 25,822.00	\$ -
2020-2022	Community Services Block Grant - CARES	Sub-Grantee through the State - HHS	\$ 544,739.19	\$ 458,379.88
2020-2022	Community Services Block Discretionary Grant - CARES	Sub-Grantee through the State - HHS	\$ 86,501.00	\$ 74,676.69
2019-2020	Low Income Home Energy Assistance Program Grant	Sub-Grantee through the State - HHS	\$ 1,690,005.88	\$ 1,598,051.07
2020-2021	Low Income Home Energy Assistance Program Grant	Sub-Grantee through the State - HHS	\$ 1,437,652.86	\$ 1,436,218.66
2021-2022	Low Income Home Energy Assistance Program Grant	Sub-Grantee through the State - HHS	\$ 1,182,619.60	\$ 468,641.07
2020-2022	Low Income Home Energy Assistance Program Grant - CARES	Sub-Grantee through the State - HHS	\$ 379,888.96	\$ 378,414.54
2021-2022	Low Income Home Energy Assistance Program Grant - ARPA	Sub-Grantee through the State - HHS	\$ 1,168,423.19	\$ 1,168,423.19
2019-2020	Emergency Solutions Grant	Sub-Grantee through the State - HUD	\$ 186,196.55	\$ 112,918.45
2020-2021	Emergency Solutions Grant	Sub-Grantee through the State - HUD	\$ 185,396.06	\$ 172,175.73
2021-2022	Emergency Solutions Grant	Sub-Grantee through the State - HUD	\$ 200,958.89	\$ 71,595.98
2020-2022	Emergency Solutions Grant - CARES	Sub-Grantee through the State - HUD	\$ 1,333,911.00	\$ 841,383.48
2019-2020	DOE Weatherization Grant	Sub-Grantee through the State - DOE	\$ 121,361.00	\$ 90,368.75
2020-2021	DOE Weatherization Grant	Sub-Grantee through the State - DOE	\$ 139,176.17	\$ 130,012.26
2021-2022	DOE Weatherization Grant	Sub-Grantee through the State - DOE	\$ 191,021.00	\$ 82,456.28
2019-2020	LIHEAP Weatherization Grant	Sub-Grantee through the State - HHS	\$ 213,772.33	\$ 156,541.54
2020-2021	LIHEAP Weatherization Grant	Sub-Grantee through the State - HHS	\$ 247,578.53	\$ 173,905.81
2021-2022	LIHEAP Weatherization Grant	Sub-Grantee through the State - HHS	\$ 241,948.24	\$ 35,395.63
2020-2021	Low Income Home Energy Assistance Program Grant - CARES A/C PROGRAM	Sub-Grantee through the State - HHS	\$ 76,923.00	\$ 14,334.37
2019-2020	The Emergency Food Assistance Program Grant	Sub-Grantee through the State - USDA	\$ 50,084.07	\$ 39,238.47
2020-2021	The Emergency Food Assistance Program Grant	Sub-Grantee through the State - USDA	\$ 25,151.28	\$ 22,183.14
2021-2022	The Emergency Food Assistance Program Grant	Sub-Grantee through the State - USDA	\$ 11,118.46	\$ 9,000.44
2020	Arkansas Fresh Start - CRF	Sub-Grantee through the State - Dept. of Treasury	\$ 179,219.00	\$ 179,219.00
2021-2023	Arkansas Fresh Start - Community Development Block Grant	Sub-Grantee through the State - Dept. of Treasury	\$ 245,000.00	\$ 245,000.00

**COMMUNITY ACTION PROGRAM FOR
CENTRAL ARKANSAS, INC.**

**Independent Auditor's Report
and Financial Statements**

March 31, 2019

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

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**INDEPENDENT
AUDITOR'S
REPORT**



Welch, Couch & Company, PA Certified Public Accountants

John Ed Welch, CPA | William T. Couch, Jr., CPA
Jeff D. Welch, CPA, JD | Rachel M. Pennywitt, CPA

Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Action Program for Central Arkansas, Inc.
Conway, Arkansas

Report on the Financial Statements

We have audited the accompanying financial statements of Community Action Program for Central Arkansas, Inc. (a nonprofit organization) (CAPCA), which comprise the statement of financial position as of March 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CAPCA as of March 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFE) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The schedule of units of services is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of CAPCA. Such additional information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2019, on our consideration of CAPCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CAPCA's internal control over financial reporting and compliance.

Welch, Couch & Company, PA
Certified Public Accountants

Batesville, Arkansas
July 25, 2019

**BASIC
FINANCIAL
STATEMENTS**

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Statement of Financial Position

March 31, 2019

Assets

Current assets:

Cash and cash equivalents	\$ 130,610
Accounts receivable	1,025,642
Prepaid expenses	40,529
Total current assets	<u>1,196,781</u>

Property and equipment

Building and improvements	1,106,584
Furniture and equipment	544,428
Vehicles	987,426
Total property and equipment	<u>2,638,438</u>
Accumulated depreciation	<u>(1,592,918)</u>
Total property and equipment, net of accumulated depreciation	<u>1,045,520</u>

Total assets \$ 2,242,301

Liabilities and Net Assets

Current liabilities:

Accounts payable	\$ 595,921
Accrued salaries and benefits	229,077
Deferred revenue	162,657
Total current liabilities	<u>987,655</u>

Net assets

Without donor restrictions

Undesignated	209,125
Property and equipment	1,045,521
Total net assets	<u>1,254,646</u>

Total liabilities and net assets \$ 2,242,301

The notes to financial statements are an integral part of this statement.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Statement of Activities

Year Ended March 31, 2019

Revenues, gains and other support	
Federal contracts and grants	\$ 8,870,637
Contributions and grants	113,543
In-kind income	915,710
Interest income	1,792
Other income	28,710
Total revenues, gains and other support	<u>9,930,392</u>
Expenses:	
Salaries	4,067,459
Payroll taxes	359,855
Fringe benefits	284,743
Supplies	299,488
Repairs and maintenance	243,646
Travel and training	245,579
Utilities and telephone	234,568
Insurance	96,774
Rent	274,897
Professional fees	49,107
Consulting fees	36,640
Food and nutrition supplies	766,626
Contractual	15,142
Direct assistance	1,240,448
Other client services	175,663
Miscellaneous	93,945
In-kind expenditures	915,710
Total program related expenses	<u>9,400,290</u>
Depreciation expense	<u>101,168</u>
Total expenditures	<u>9,501,458</u>
Increase (decrease) in net assets	428,934
Net assets - beginning of year	<u>825,712</u>
Net assets - end of year	<u>\$ 1,254,646</u>

The notes to financial statements are an integral part of this statement.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Statement of Functional Expenses

Year Ended March 31, 2019

	<u>Head Start</u>	<u>Child and Adult Food Care Program</u>	<u>Community Services Block Grant</u>	<u>Low Income Home Energy Assistance</u>	<u>Weatherization Assistance Program</u>	<u>Emergency Solutions Grant</u>	<u>Temporary Emergency Food Assistance</u>	<u>Other Miscellaneous Programs and Agency</u>	<u>Total Program Services</u>
Revenues, gains and other support									
Government contracts and grants:									
Federal contracts and grants	\$ 6,070,891	\$ 474,539	\$ 330,011	\$ 1,240,213	\$ 338,168	\$ 157,265	\$ 259,550	\$ 113,543	\$ 8,870,637
In-kind income	915,710	-	-	-	-	-	-	-	915,710
Interest income	-	-	-	128	-	-	-	1,664	1,792
Other income	-	-	-	-	-	-	-	28,710	28,710
Total revenues, gains and other support	<u>\$ 6,986,601</u>	<u>474,539</u>	<u>330,011</u>	<u>1,240,341</u>	<u>338,168</u>	<u>157,265</u>	<u>259,550</u>	<u>143,917</u>	<u>9,930,392</u>
Expenditures									
Program services:									
Salaries	3,558,109	48,029	199,447	108,868	90,294	44,569	7,826	10,317	4,067,459
Payroll taxes	316,071	4,419	17,005	9,370	7,599	3,821	743	827	359,855
Fringe benefits	253,691	3,103	12,336	3,386	6,535	2,965	508	2,219	284,743
Supplies	247,218	-	12,147	15,653	6,393	1,000	371	16,706	299,488
Repairs and maintenance	215,082	-	2,460	969	9,244	-	3,186	12,705	243,646
Travel and training	185,878	-	3,553	41,600	13,300	62	433	753	245,579
Utilities and telephone	214,411	-	10,236	5,596	3,354	123	31	817	234,568
Insurance	85,370	-	7,517	1,029	2,845	-	13	-	96,774
Rent	218,947	-	34,301	10,936	7,462	69	1,922	1,260	274,897
Professional fees	41,890	-	2,978	2,989	1,250	-	-	-	49,107
Consulting fees	33,308	-	1,449	1,313	570	-	-	-	36,640
Food and nutrition supplies	77,558	418,988	2,770	-	-	-	244,780	-	766,626
Contractual	14,390	-	387	343	22	-	-	-	15,142
Direct assistance	-	-	-	1,033,801	206,647	-	-	-	1,240,448
Other client services	58,167	-	18,456	626	-	106,104	-	50,477	175,663
Miscellaneous	915,710	-	4,969	3,862	433	-	-	26,514	93,945
In-kind expenditures	-	-	-	-	-	-	-	-	915,710
Total program related expenditures	<u>6,435,800</u>	<u>474,539</u>	<u>330,011</u>	<u>1,240,341</u>	<u>355,948</u>	<u>158,713</u>	<u>259,813</u>	<u>145,125</u>	<u>9,400,290</u>
Depreciation expense	<u>1,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,068</u>	<u>101,168</u>
Total expenditures	<u>6,436,900</u>	<u>474,539</u>	<u>330,011</u>	<u>1,240,341</u>	<u>355,948</u>	<u>158,713</u>	<u>259,813</u>	<u>245,193</u>	<u>9,501,458</u>
Increase (decrease) in net assets	<u>\$ 549,701</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,780)</u>	<u>\$ (1,448)</u>	<u>\$ (263)</u>	<u>\$ (101,276)</u>	<u>\$ 428,934</u>

The notes to financial statements are an integral part of this statement.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Statement of Cash Flows

Year Ended March 31, 2019

Cash flows from operating expenses:	
Changes in net assets	\$ 428,934
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	101,168
Net changes in:	
Accounts receivable	(485,056)
Prepaid expenses	17,221
Accounts payable	331,722
Accrued expenses	(19,444)
Deferred revenue	62,008
Net cash flows provided by operating activities	<u>436,553</u>
Cash flows from investing activities:	
Purchase of fixed assets	<u>(517,310)</u>
Net cash flows (used in) investing activities	<u>(517,310)</u>
Net decrease in cash and cash equivalents	(80,757)
Cash and cash equivalents, beginning of year	<u>211,367</u>
Cash and cash equivalents, end of year	<u><u>\$ 130,610</u></u>

The notes to financial statements are an integral part of this statement.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2019

Note 1 – Summary of Significant Accounting Policies

Nature of Operations

The Community Action Program for Central Arkansas, Inc. (CAPCA) is a nonprofit community action agency that operates a variety of federal, state and locally funded programs providing services to the residents of Faulkner, White and Cleburne counties in Arkansas and other countries as approved by the funding sources. The operations of CAPCA are primarily funded by federal, state and local grant funds that are treated as exchange transactions, not as contributions. CAPCA receives immaterial amounts of support from donor contributions; consequently, the ability to collect and maintain its level of funding is directly affected by the funding available from federal, state and local sources.

The relative significance of its programs in terms of total expenditures was as follows as of March 31, 2019:

Children's programs	73.5%
Assistance to low-income individuals	24.0%
General community support	2.5%

Basis of Presentation

The accompanying financial statements have been presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Assets With Donor Restrictions

Net assets are limited by donors to a specific time period or purpose, and net assets that have been restricted by donors to be maintained by the Agency in perpetuity.

Subsequent Events

The Subsequent Events Topic of the Accounting Standards Codification (ASC) establishes general standards of accounting for and disclosure of events that occur after the statement of financial position date but before financial statements are issued or are available to be issued. CAPCA has evaluated all subsequent events for potential recognition and disclosure through July 25, 2019, the date these financial statements were available to be issued.

Income Taxes

The Organization has been recognized as exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income. Management annually reviews its tax position and has determined that there are no material uncertain tax positions that require recognition in the financial statements. The past three years are still open and are subject to IRS examination.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2019

Note 1 – Summary of Significant Accounting Policies (Cont.)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated. Significant estimates include management's estimated net realizable value of accounts receivable, estimated allocation of functional expenses, estimated lives and methods used to compute depreciation expense, and values attributed to donated services and use of facilities.

Cash

For the purposes of the statement of cash flows, CAPCA considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. CAPCA had no cash equivalents at March 31, 2019.

Accounts Receivable

Accounts receivable are stated at the amount CAPCA expects to collect. CAPCA uses the allowance method to determine uncollectible accounts. The allowance is based on prior years' experience and management's analysis of the account. Accounts are charged off to the allowance when management deems the account will not be collectible. Past due status is based on how recently payments have been made on the account. Management has evaluated and considers all accounts receivable at March 31, 2019, fully collectible, and as such, no allowance has been recorded.

Property and Equipment

Property and equipment is carried at cost or, if donated, at its estimated fair value at date of donation, net of accumulated depreciation. Purchases and donations in excess of \$5,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful life of each asset and totaled \$101,168 for the current year. Funding sources may retain equitable interest in property and equipment purchased with grant monies as well as the right to determine the use of any proceeds from the sale of the assets. The estimated useful lives, by class of asset, are as follows:

	<u>Years</u>
Buildings and improvements	15 – 30
Computer and other equipment	3 – 15
Vehicles	5 – 1

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2019

Note 1 – Summary of Significant Accounting Policies (Cont.)

Property and Equipment (cont.)

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies restricted net assets to unrestricted net assets at that time.

Revenue Recognition

Grant revenue is recognized by CAPCA when services have been rendered and collectibility is reasonably assured. Contributions received are recorded as unrestricted or restricted support, depending on the existence or nature of any donor restrictions.

Functional Expenses

Expenses are charged to programs based on direct expenditures incurred. Any expenditure not directly chargeable is allocated to programs based on allocation bases specified in the Administrative Manual.

Contributions

Contributions are recognized when the donor makes a promise to give to CAPCA that is, in substance, un-conditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires because the contributed resources are spent in accordance with the donor's instructions or because of passage of time, net assets with donor restrictions are reclassified to net assets without donor restriction.

Donated Services and Use of Facilities (In-Kind)

CAPCA receives a substantial amount of donated services and use of facilities in the operation of its Head Start program. A number of the federal and state programs operated by CAPCA have requirements concerning local matching funds, which can include donated services and use of facilities.

The Accounting for Contributions Received and Contributions Made topic of the ASC requires that in order for the value of donated services to be recognized in the financial statements that they must either (1) create or enhance a nonfinancial asset, or (2) require the specialized skills that would be purchased if they were not donated.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2019

Note 1 – Summary of Significant Accounting Policies (Cont.)

Donated Services and Use of Facilities (In-Kind) (cont.)

The values of donated services are computed by accumulating information on hours donated and multiplying it by a minimum wage plus a percentage for payroll taxes and benefits. Donated services totaled approximately \$283,055 for the year ended March 31, 2019.

Donated use of facilities is valued based on realtors' appraisals of the rental values of the properties.

Refundable Advances – Grant Revenues

CAPCA records a grant award as a refundable advance until it is expended for the purpose of the grant, at which time it becomes unconditional and is recognized as revenue. CAPCA considers its grant revenues as exchange transactions.

Compensated Absences

CAPCA permits full time and part time employees working at least 20 hours per week to accumulated annual leave benefits. Expenses and the related liabilities are recognized as the annual leave is earned and are computed using the regular pay rates in effect at the balance sheet date.

Risk Management

CAPCA is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets, business interruption, errors and omissions, employee injuries and illness, natural disasters and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from property losses, professional and general liability.

Note 2 – Retirement Savings Plan

Effective April 1, 2001, CAPCA established a 401(k) profit sharing plan which is named CAPCA Retirement Savings Plan (the Plan). Employees can make a salary deferral election authorizing CAPCA to withhold up to 100% of the employee's compensation or the maximum allowed under the Internal Revenue Code, whichever is less. CAPCA may make a matching contribution each plan year of 200% of the elective deferrals up to 3% of the employee's eligible compensation.

The Plan covers all full-time employees of CAPCA. Employer matching contributions totaled approximately \$109,059 for the year ended March 31, 2019.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2019

Note 3 – Concentrations of Risk

Support

A material part of CAPCA's support is derived from federal funds administered through contracts with the State of Arkansas or directly through the intermediary agency. For the year ended March 31, 2019, this support represented approximately 86% of CAPCA's total support and revenue. The loss of these contracts would have an adverse effect on CAPCA's ability to provide its services.

Cash

Deposits in financial institutions could potentially subject CAPCA to a risk of accounting loss to the extent of the uninsured/uncollateralized portion of those deposits. All deposits in financial institutions and are carried at cost. At March 31, 2019, CAPCA's carrying amount of deposits was \$130,610 and the bank balance was \$220,439. Of this balance \$220,439 was covered by FDIC insurance and \$-0- was covered by additional safekeeping pledged in CAPCA's name.

Due to higher cash flows at certain times during the year, CAPCA's risk for uninsured and uncollateralized deposits could be higher or lower than at year end.

Accounts Receivable

CAPCA provides services under contracts with various federal and state and other awarding agencies on a reimbursement or unit of service basis. Accounts receivable were as follows at March 31, 2019:

	<u>Amount</u>	<u>Percentage</u>
Head Start Program	\$ 703,946	68.6%
Community Services Block Grant	58,361	5.7%
Weatherization Program	65,594	6.4%
Child and Adult Care Food Program	99,308	9.7%
Emergency Solutions Grant	91,815	9.0%
Temporary Food Assistance Program	6,618	0.6%
Total accounts receivable	<u>\$ 1,025,642</u>	<u>100.0%</u>

Note 4 – Contingent Liabilities

CAPCA was the recipient of various federal and state grants. These grant programs are subject to audit by the federal or state governments or their representatives. Accordingly, the amount, if any, of expenditures which may be disallowed by the program representatives cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2019

Note 5 – Deferred Revenue

Grant funds advanced to CAPCA but are unexpended at year end are reported as technically refundable to the grantor and reported as deferred revenue. Deferred revenues were as follows at March 31, 2019:

	<u>Amount</u>
Head Start Program	\$ 49,864
Low Income Home Energy Assistance Program	105,634
Weatherization Program	485
Emergency Solutions Grant	<u>6,674</u>
Total deferred revenue	<u>\$ 162,657</u>

Note 6 – Operating Leases

CAPCA leases office space under various operating leases expiring at various times. The rent expense for the year ended March 31, 2019, totaled approximately \$228,096.

Future minimum lease payments at March 31, 2019, are as follows:

<u>March 31,</u>	<u>Amount</u>
2019	\$ 191,472
2020	145,985
2021	136,930
2022	95,825
2023	<u>47,807</u>
Total	<u>\$ 618,019</u>

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2019

Note 7 – Management of Liquidity

CAPCA is substantially supported through contracts and grants with federal and state agencies that are typically restricted for expenditure by the terms of those contracts and grants to a particular program or activity. At March 31, 2019 CAPCA had the following financial assets that could readily be made available within one year to fund expenses without limitations:

	<u>Amount</u>
Financial resources available	\$ 1,156,252
Contractual imposed restrictions:	
Deferred revenue	(162,657)
Other required reserves:	
Annual leave reserve	<u>(75,523)</u>
Financial resources available to liquidate liabilities and general expenditures within one year	<u><u>\$ 918,072</u></u>

**SUPPLEMENTARY
INFORMATION**

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Schedule of Expenditures of Federal Awards

Year Ended March 31, 2019

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grant Award/ Pass-Through</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Agriculture</u>				
Passed-through Arkansas Department of Human Services:				
<i>Food Distribution Cluster:</i>				
Emergency Food Assistance Program	10.568	4600041107	\$ 14,770	\$ -
Administrative Costs				
Emergency Food Assistance Program	10.569	4600041107	244,780	-
Food Commodities			259,550	-
<i>Total Food Distribution Cluster</i>				
Passed-through Arkansas Department of Human Services:				
Child and Adult Care Food Program (CACFP)	10.558	Q14	\$ 427,597	\$ -
Passed-through Louisiana Department of Education:				
Child and Adult Care Food Program (CACFP)	10.558	200-164527000	46,942	-
Total Child and Adult Care Food Program			474,539	-
Total U.S. Department of Agriculture			\$ 734,089	\$ -
<u>U.S. Department of Housing and Urban Development</u>				
Passed-through Arkansas Department of Human Services:				
Emergency Solutions Grant Program	14.231	4600041234	\$ 61,375	\$ -
Emergency Solutions Grant Program	14.231	4600043092	95,890	-
Total U.S. Department of Housing and Urban Development			\$ 157,265	\$ -

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Schedule of Expenditures of Federal Awards

Year Ended March 31, 2019

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grant Award/ Pass-Through</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Energy</u>				
Passed-through Arkansas Economic Development Commission:				
Weatherization Assistance for Low-Income Persons	81.042	DE-EE0007906/0004	\$ 8,522	\$ -
Weatherization Assistance for Low-Income Persons	81.042	DE-EE0007906/0004	89,575	-
			<u>\$ 98,097</u>	<u>\$ -</u>
<u>Total U.S. Department of Energy</u>				
<u>U.S. Department of Health and Human Services</u>				
Direct Program:				
Head Start:				
Regional Head Start	93.600	06CH7197-04	\$ 2,034,711	\$ -
Early Head Start/Regional II	93.600	06CH010825-01	299,274	-
Early Head Start/Regional II	93.600	06CH0007-06	1,383,911	-
Migrant Head Start	93.600	90CM9812-05	2,041,919	-
Migrant Head Start	93.600	90CM9812-06	277,585	-
Total Head Start Program			<u>6,037,400</u>	<u>-</u>
Passed-through Arkansas Department of Human Services:				
Community Services Block Grant	93.569	CSBG CSDI-18	\$ 9,819	\$ -
Community Services Block Grant	93.569	CSBG-18	162,244	-
Community Services Block Grant	93.569	CSBG-19	157,948	-
Total Community Services Block Grant			<u>330,011</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Schedule of Expenditures of Federal Awards

Year Ended March 31, 2019

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grant Award/ Pass-Through</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Health and Human Services (Cont.)</u>				
Passed-through Arkansas Department of Human Services:				
Low-Income Home Energy Assistance	93.568	4600041312	\$ 741,649	\$ -
Low-Income Home Energy Assistance	93.568	4600041312	498,692	-
Total Low-Income Home Energy Assistance			<u>1,240,341</u>	<u>-</u>
Passed-through Arkansas Department of Environmental Quality:				
Low-Income Home Energy Assistance	93.568	LiHeap 2018 G992201	\$ 174,478	\$ -
Low-Income Home Energy Assistance	93.568	LiHeap 2019 G992201	65,593	-
Total Low-Income Home Energy Assistance			<u>240,071</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>\$ 7,847,823</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 8,837,274</u>	<u>\$ -</u>

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to the Schedule of Expenditures of Federal Awards

Year Ended March 31, 2019

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grants activity of CAPCA and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Note 2 – Summary of Significant Accounting Policies

- 1) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are not limited as to reimbursement.
- 2) Pass-through identifying numbers are presented when available.
- 3) The Agency has elected not to use the 10% de minimis indirect costs rate as allowed under the Uniform Guide.

Note 3 – Subrecipients

No awards were provided to subrecipients.

Note 4 – Matching Requirements

Certain federal programs require that the Agency contribute non-federal funds (matching funds) to support the federal-funded programs. The Agency has complied with the matching requirements. The expenditures of non-federal matching funds are not included on the schedule.

Note 5 – Contingencies

In connection with various federal grant programs, the Agency is obligated to administer related programs and spend the funds in accordance with regulatory restrictions, and is subject to audit by grantor agencies and other auditors. In cases of noncompliance, the agencies involved may require the Agency to refund program funds.

**ADDITIONAL
SUPPLEMENTARY
INFORMATION**

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Regional Head Start

Grant Number 06CH7197-04

Schedule of Revenues and Expenditures (Budget to Actual Non-GAAP)

April 1, 2018 Through March 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Grant revenues	\$ 2,149,864	\$ 2,106,996	\$ (42,868)
Non-Federal share	519,395	531,790	12,395
Total revenues	<u>2,669,259</u>	<u>2,638,786</u>	<u>(30,473)</u>
Expenditures:			
Personnel	1,447,101	1,279,104	167,997
Fringe benefits	329,102	213,475	115,627
Travel	7,204	2,667	4,537
Equipment	72,285	-	72,285
Supplies	18,200	176,164	(157,964)
Contractual	31,129	53,237	(22,108)
Other	244,843	382,349	(137,506)
Non-Federal share	519,395	531,790	(12,395)
Total expenses	<u>2,669,259</u>	<u>2,638,786</u>	<u>30,473</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Regional II and Early Head Start

Grant Number 06CH0007-06

Schedule of Revenues and Expenditures (Budget to Actual Non-GAAP)

February 1, 2018 Through January 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Grant revenues	\$ 2,274,212	\$ 1,637,929	\$ (636,283)
Non-Federal share	568,554	346,534	(222,020)
Total revenues	<u>2,842,766</u>	<u>1,984,463</u>	<u>(858,303)</u>
Expenditures:			
Personnel	1,451,128	1,076,494	374,634
Fringe benefits	376,727	171,255	205,472
Travel	14,530	1,094	13,436
Supplies	58,810	69,074	(10,264)
Contractual	93,566	49,965	43,601
Other	279,451	270,048	9,403
Non-Federal share of expenses	568,554	346,533	222,021
Total expenses	<u>2,842,766</u>	<u>1,984,463</u>	<u>858,303</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Migrant Seasonal Head Start

Grant Number 90CM9812-05

Schedule of Revenues and Expenditures (Budget to Actual Non-GAAP)

February 1, 2018 Through January 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Grant revenues	\$ 2,496,595	\$ 2,201,696	\$ (294,899)
Non-Federal share	264,100	297,336	33,236
Total revenues	<u>2,760,695</u>	<u>2,499,032</u>	<u>(261,663)</u>
Expenditures:			
Personnel	1,241,539	1,138,098	103,441
Fringe benefits	304,285	190,393	113,892
Travel	12,806	922	11,884
Equipment	514,152	422,525	91,627
Supplies	68,000	58,733	9,267
Other	355,813	391,026	(35,213)
Non-Federal share	264,100	297,335	(33,235)
Total expenses	<u>2,760,695</u>	<u>2,499,032</u>	<u>261,663</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
Low-Income Home Energy Assistance Program
Schedule of Revenues and Expenditures (Budget to Actual Non-GAAP)
October 1, 2017 Through September 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Grant revenues	\$ 1,418,722	\$ 1,272,359	\$ (146,363)
Interest income	-	141	141
Total revenues	<u>1,418,722</u>	<u>1,272,500</u>	<u>(146,222)</u>
Expenditures:			
Salaries and wages	131,609	101,950	29,659
Fringe benefits	34,321	15,791	18,530
Professional fees	4,000	7,006	(3,006)
Travel	1,770	1,676	94
Space rental and maintenance	11,950	9,733	2,217
Supplies	20,380	15,533	4,847
Insurance	570	871	(301)
Postage	3,785	7,092	(3,307)
Bank fees	60	185	(125)
Equipment and lease	8,123	11,516	(3,393)
Utilities	2,544	1,481	1,063
Telephone	1,000	2,167	(1,167)
Other expenses	20,554	40,484	(19,930)
Direct client utility assistance	1,178,056	1,057,015	121,041
Total expenses	<u>1,418,722</u>	<u>1,272,500</u>	<u>146,222</u>
Excess excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Applications paid

Summer regular	2,864
Summer crisis intervention	764
Winter regular	2,888
Winter crisis intervention	781

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

**Low-Income Home Energy Assistance Program
Schedule of Revenues and Expenditures – Non-GAAP
October 1, 2017 Through September 30, 2018**

Administrative:	
Revenue	\$ 103,068
Expenditures	<u>(94,638)</u>
Administrative carryover	<u>8,430</u>
Winter regular assistance:	
Revenue	\$ 388,132
Expenditures	<u>(405,256)</u>
Regular assistance carryover	<u>(17,124)</u>
Summer regular assistance:	
Revenue	\$ 439,003
Expenditures	<u>(380,604)</u>
Regular assistance carryover	<u>58,399</u>
Summer crisis intervention:	
Revenue	\$ 172,363
Expenditures	<u>(130,658)</u>
Crisis assistance carryover	<u>41,705</u>
Winter crisis intervention:	
Revenue	\$ 188,957
Expenditures	<u>197,195</u>
Crisis intervention carryover	<u>(8,238)</u>
Assurance 16:	
Revenues	\$ 58,252
Expenditures	<u>(57,371)</u>
Assurance 16 carryover	<u>881</u>
Interest income	<u>\$ 141</u>
Total program carryover	
Total carryover returned to grantee	<u><u>\$ 74,742</u></u>

Administrative costs equaled 8.00% of total expenditures.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
Community Service Block Grant Funds
Schedule of Revenues and Expenditures (Budget to Actual Non-GAAP)
For the Period October 1, 2017 Through September 30, 2018

	Regular CSBG Funds:		
	CSBG 18		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Grant revenues	\$ 388,111	\$ 373,033	\$ (15,078)
Total revenues	<u>388,111</u>	<u>373,033</u>	<u>(15,078)</u>
Expenditures:			
Salaries	217,670	220,924	(3,254)
Fringe benefits	36,242	33,391	2,851
Travel	3,339	2,985	354
Supplies	34,043	31,309	2,734
Equipment	22,664	12,086	10,578
Contractual	13,270	11,779	1,491
Other expenses	47,383	50,831	(3,448)
Direct client benefits	13,500	9,728	3,772
Total expenses	<u>388,111</u>	<u>373,033</u>	<u>15,078</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Emergency Solutions Grant

Schedule of Revenues and Expenditures (Budget to Actual Non-GAAP)

For the Period October 1, 2017 Through September 30, 2018

	Grant No. 4600038246		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Grant revenues	\$ 120,738	\$ 80,655	\$ (40,083)
Total revenues	<u>120,738</u>	<u>80,655</u>	<u>(40,083)</u>
Expenditures:			
Street outreach	3,496	1,048	2,448
Emergency shelter	15,500	9,916	5,584
Rapid re-housing	80,000	51,066	28,934
Homeless prevention	20,550	17,502	3,048
HMIS	1,000	1,000	-
Administrative costs	192	123	69
Total expenses	<u>120,738</u>	<u>80,655</u>	<u>40,083</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
TEFAP – Commodities Distribution Administrative Funds
Schedule of Revenues and Expenditures – Non-GAAP
For the Period October 1, 2017 Through September 30, 2018

	Subgrant 4600041107		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Grant revenues	\$ 20,433	\$ 18,949	\$ (1,484)
Total revenues	<u>20,433</u>	<u>18,949</u>	<u>(1,484)</u>
Expenditures:			
Salaries	14,647	15,129	(482)
Fringe benefits	1,846	1,739	107
Rent	1,000	1,378	(378)
Printing	500	120	380
Supplies	820	173	647
Other	1,620	1,875	(255)
Total expenses	<u>20,433</u>	<u>20,414</u>	<u>19</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ (1,465)</u>	<u>\$ (1,465)</u>
Value of commodities distributed		<u>\$ 301,294</u>	
Units of service:			
Number of cases		7,664	
Number of bonus cases		7,562	
Number of households served		7,002	

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Child and Adult Care Food Program

Units of Service Provided

April 1, 2018 Through March 31, 2019

	<u>Breakfast</u>	Arkansas <u>Lunch</u>	<u>Snacks</u>
April	6,872	9,915	11,874
May	3,458	4,844	5,724
June	1,528	1,839	2,043
July	1,454	1,703	1,859
August	1,494	2,515	3,423
September	4,867	8,173	11,079
October	5,832	9,764	13,185
November	4,029	6,716	9,047
December	3,612	5,850	7,903
January	3,882	6,889	9,602
February	4,540	7,508	10,141
March	4,675	7,596	10,125
	<hr/>	<hr/>	<hr/>
	46,243	73,312	96,005
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	<u>Breakfast</u>	Louisiana <u>Lunch</u>	<u>Snacks</u>
April	705	662	624
May	686	679	614
June	656	622	593
July	620	612	584
August	673	671	638
September	685	683	642
October	840	825	773
November	541	535	504
December	564	558	522
January	672	686	660
February	440	399	363
March	664	655	603
	<hr/>	<hr/>	<hr/>
	7,746	7,587	7,120
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**OTHER
REQUIRED
REPORTS**



Welch, Couch & Company, PA Certified Public Accountants

John Ed Welch, CPA | William T. Couch, Jr., CPA
Jeff D. Welch, CPA, JD | Rachel M. Pennywitt, CPA

Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Community Action Program for Central Arkansas, Inc.
Conway, Arkansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Action Program for Central Arkansas, Inc. (CAPCA) (a nonprofit organization), which comprise the statement of financial position as of March 31, 2019, and the related statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 25, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CAPCA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CAPCA's internal control. Accordingly, we do not express an opinion on the effectiveness of CAPCA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CAPCA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

Batesville: PO Box 2094 | Batesville, AR 72503 | P: 870.793.5231 | F: 870.793.7788

Salem: PO Box 647 | Salem, AR 72576 | P: 870.895.3212 | F: 870.895.2998

West Plains: 1386 Bill Virdon Blvd. | West Plains, MO 65775 | P: 417.256.6624 | F: 417.256.1171

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Welch, Couch & Company, PA
Certified Public Accountants

Batesville, Arkansas
July 25, 2019



Welch, Couch & Company, PA Certified Public Accountants

John Ed Welch, CPA | William T. Couch, Jr., CPA
Jeff D. Welch, CPA, JD | Rachel M. Pennywitt, CPA

Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Community Action Program for Central Arkansas, Inc.
Conway, Arkansas

Report on Compliance for Each Major Federal Program

We have audited Community Action Program for Central Arkansas, Inc.'s (CAPCA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CAPCA's major federal programs for the year ended March 31, 2019. CAPCA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of CAPCA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CAPCA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CAPCA's compliance.

Opinion on Each Major Federal Program

In our opinion, CAPCA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2019.

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Report on Internal Control Over Compliance

Management of CAPCA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CAPCA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CAPCA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Welch, Couch & Company, PA
Certified Public Accountants

Batesville, Arkansas
July 25, 2019

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
Schedule of Findings and Questioned Cost
For the Year Ended March 31, 2019

Section I – Summary of Audit Results

Financial Statements

Type of Auditor's Report:	Unmodified
Internal Control Over Financial Reporting:	
Material Weakness Identified	No
Significant Deficiencies Identified that are not considered to be Material Weaknesses	No
Non-Compliance material to Financial Statements noted:	None Reported

Federal Awards

Internal Control Over Major Programs:	
Material Weakness Identified	No
Significant Deficiencies Identified that are not considered to be Material Weaknesses	No
Type of Auditor's Report issued on Compliance for Major Programs:	Unmodified
Findings required to be reported in accordance with 2CFR Section 200.516(a):	None Reported
Identification of Major Programs:	

CFDA Number

93.568	Low-Income Home Energy Assistance
93.600	Head Start

Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	\$750,000
Auditee Qualified as Low Risk Auditee:	No

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Schedule of Findings and Questioned Cost (Cont.)

For the Year Ended March 31, 2019

Section II – Financial Statement Findings

Significant Deficiencies

No matters reported

Material Weaknesses

No matters reported

Section III – Federal Award Findings and Questioned Costs

Significant Deficiencies

No matters reported

Material Weaknesses

No matters reported

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
Prior Year Schedule of Findings and Questioned Costs
For the Year Ended March 31, 2018

Section I – Summary of Audit Results

Financial Statements

Type of Auditor's Report:	Unmodified
Internal Control Over Financial Reporting:	
Material Weakness Identified	No
Significant Deficiencies Identified that are not considered to be Material Weaknesses	No
Non-Compliance material to Financial Statements noted:	None Reported

Federal Awards

Internal Control Over Major Programs:	
Material Weakness Identified	No
Significant Deficiencies Identified that are not considered to be Material Weaknesses	No
Type of Auditor's Report issued on Compliance for Major Programs:	Unmodified
Findings required to be reported in accordance with 2CFR Section 200.516(a):	Yes
Identification of Major Programs:	

CFDA Number

93.568	Low-Income Home Energy Assistance
93.600	Head Start

Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	\$750,000
Auditee Qualified as Low Risk Auditee:	No

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
Prior Year Schedule of Findings and Questioned Costs (Cont.)
For the Year Ended March 31, 2018

Section II – Financial Statement Findings

Significant Deficiencies

No matters reported

Material Weaknesses

No matters reported

Section III – Federal Award Findings and Questioned Costs

2018-001 – Head Start Program – CFDA No. 93-600. Grant #06CH719703, Grant Period Year Ending March 31, 2018, U.S. Department of Health and Human Services

Condition: During our testing, it was noted that CAPCA did not obtain the proper matching of federal financial assistance. We also noted instances in which Form 425 and Notices of Federal Interest were not filed in a timely manner.

Recommendation: We recommend CAPCA continue its efforts to obtain a waiver for the year ended March 31, 2018. We further recommend management identify and capture additional sources of in-kind matching revenue and continue to monitor compliance with section 640(b) of the Head Start Act. We also recommend that management monitor the deadline for making required filings to the Head Start Program to ensure that all are timely filed.

Current Status: One instance was noted on Head Start Grant No. 90 CM9812-05 in which the matching requirement was not met. However, management requested a waiver which was granted. Accordingly, no finding will appear in the current year audit report.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Supplemental Data Sheet

Year Ended March 31, 2019

- 1) Entity's Full Name: Community Action Program for Central Arkansas, Inc.
- 2) Entity's Address: 707 Robins Street, Suite 118
Conway, AR 72034
- 3) Entity's FEIN: 71-0393919
- 4) Entity's Telephone Number: (501) 329-3891
- 5) Name of Director: Jennifer Welter, Executive Director
- 6) Name of Contact Person: Elizabeth Dunlap, Fiscal Officer

**COMMUNITY ACTION PROGRAM FOR
CENTRAL ARKANSAS, INC.**

**Independent Auditor's Report
and Financial Statements**

March 31, 2020

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

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**INDEPENDENT
AUDITOR'S
REPORT**



Welch, Couch & Company, PA Certified Public Accountants

John Ed Welch, CPA | William T. Couch, Jr., CPA
Jeff D. Welch, CPA, JD | Rachel M. Pennywitt, CPA

Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Action Program for Central Arkansas, Inc.
Conway, Arkansas

Report on the Financial Statements

We have audited the accompanying financial statements of Community Action Program for Central Arkansas, Inc. (a nonprofit organization) (CAPCA), which comprise the statement of financial position as of March 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CAPCA as of March 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The schedule of units of services is presented for the purpose of additional analysis and is not a required part of the general-purpose financial statements of CAPCA. Such additional information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2020, on our consideration of CAPCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CAPCA's internal control over financial reporting and compliance.

Welch, Couch & Company, PA
Certified Public Accountants

Batesville, Arkansas
August 17, 2020

**BASIC
FINANCIAL
STATEMENTS**

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Statement of Financial Position

March 31, 2020

Assets

Current assets:

Cash and cash equivalents - Notes 1 and 3	\$ 78,539
Grants receivable - Note 4	743,323
Prepaid expenses	29,837
Total current assets	<u>851,699</u>

Property and equipment - Note 1

Building and improvements	1,106,584
Furniture and equipment	703,876
Vehicles	1,046,425
Total property and equipment	<u>2,856,885</u>
Accumulated depreciation	<u>(1,685,639)</u>
Total property and equipment, net of accumulated depreciation	<u>1,171,246</u>

Total assets	<u>\$ 2,022,945</u>
---------------------	----------------------------

Liabilities and Net Assets

Current liabilities:

Accounts payable	\$ 156,931
Accrued salaries and benefits	317,127
Deferred revenue - Note 6	16,937
Total current liabilities	<u>490,995</u>

Net assets

Without donor restrictions - Note 1	
Undesignated	360,704
Property and equipment	1,171,246
Total net assets	<u>1,531,950</u>

Total liabilities and net assets	<u>\$ 2,022,945</u>
---	----------------------------

The notes to financial statements are an integral part of this statement.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Statement of Activities

Year Ended March 31, 2020

	Without Donor Restrictions
Revenues, gains and other support	
Federal contracts and grants	\$ 8,955,836
Contributions and grants	143,508
In-kind income	1,118,733
Interest income	1,295
Other income	4,274
Total revenues, gains and other support	<u>10,223,646</u>
Expenses:	
Salaries	4,213,629
Payroll taxes	373,101
Fringe benefits	263,235
Supplies	217,299
Repairs and maintenance	377,063
Travel and training	191,435
Utilities and telephone	273,838
Insurance	105,620
Rent	280,280
Professional fees	47,951
Consulting fees	20,030
Food and nutrition supplies	1,033,946
Contractual	4,808
Direct assistance	1,130,080
Other client services	212,436
Miscellaneous	62,636
In-kind expenditures	1,118,733
Total program related expenses	<u>9,926,120</u>
Depreciation expense	<u>122,663</u>
Total expenditures	<u>10,048,783</u>
Increase in net assets	174,863
Net assets - beginning of year as previously stated	<u>1,254,646</u>
Prior period adjustment - Note 9	102,441
Net assets - beginning of year restated	<u>1,357,087</u>
Net assets - end of year	<u><u>\$ 1,531,950</u></u>

The notes to financial statements are an integral part of this statement.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Statement of Functional Expenses

Year Ended March 31, 2020

	<u>Head Start</u>	<u>Child and Adult Food Care Program</u>	<u>Community Services Block Grant</u>	<u>Low Income Home Energy Assistance</u>	<u>Weatherization Assistance Program</u>	<u>Emergency Solutions Grant</u>	<u>Temporary Emergency Food Assistance</u>	<u>Other Miscellaneous Programs and Agency</u>	<u>Total Program Services</u>
Revenues, gains and other support									
Government contracts and grants:									
Federal contracts and grants	\$ 5,857,146	\$ 492,162	\$ 444,533	\$ 1,249,420	\$ 230,221	\$ 169,251	\$ 513,103	\$ -	\$ 8,955,836
Contributions and grants	-	-	-	-	-	-	-	143,508	143,508
In-kind income	1,118,733	-	-	158	-	-	-	-	1,118,733
Interest income	-	-	-	-	-	-	-	1,137	1,295
Other income	-	-	-	-	-	-	-	4,274	4,274
Total revenues, gains and other support	6,975,879	492,162	444,533	1,249,578	230,221	169,251	513,103	148,919	10,223,646
Expenditures									
Program services:									
Salaries	3,673,142	59,919	194,972	130,439	87,872	52,973	5,842	8,470	4,213,629
Payroll taxes	325,324	5,486	17,664	11,351	7,444	4,504	579	749	373,101
Fringe benefits	227,755	3,806	8,152	5,420	3,890	2,696	36	11,480	263,235
Supplies	163,208	-	21,693	16,954	2,676	-	9,043	3,725	217,299
Repairs and maintenance	320,927	-	33,908	2,533	633	-	9,803	9,259	377,063
Travel and training	147,124	-	10,468	23,768	6,871	1,123	719	1,362	377,063
Utilities and telephone	243,871	146	16,121	9,180	2,830	-	513	1,177	273,838
Insurance	93,067	-	6,997	2,411	3,065	-	80	-	105,620
Rent	221,633	-	32,739	14,787	7,356	-	2,255	1,510	280,280
Professional fees	39,681	-	3,820	3,824	626	-	-	-	47,951
Consulting fees	19,613	-	82	-	-	-	-	335	20,030
Food and nutrition supplies	82,009	422,805	22,410	-	9	-	481,496	25,217	1,033,946
Contractual	4,808	-	-	-	-	-	-	-	4,808
Direct assistance	-	-	-	1,024,507	105,573	-	-	-	1,130,080
Other client services	-	-	-	953	-	107,955	-	-	110,808
Miscellaneous	41,052	-	61,344	3,451	1,376	-	-	42,184	110,808
In-kind expenditures	1,118,733	-	14,163	-	-	-	27	2,567	1,138,693
Total program related expenditures	6,721,947	492,162	444,533	1,249,578	230,221	169,251	510,393	108,035	9,926,120
Depreciation expense	1,100	-	-	-	-	-	-	121,563	122,663
Total expenditures	6,723,047	492,162	444,533	1,249,578	230,221	169,251	510,393	229,598	10,048,783
Increase (decrease) in net assets	\$ 252,832	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,710	\$ (80,679)	\$ 174,863

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Statement of Cash Flows

Year Ended March 31, 2020

Cash flows from operating expenses:	
Change in net assets	\$ 174,863
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	122,663
(Gain) on disposal of assets	(3,128)
Prior period adjustment	102,441
Net changes in:	
Grants receivable	282,319
Prepaid expenses	10,692
Accounts payable	(438,990)
Accrued expenses	88,050
Deferred revenue	(145,720)
Net cash flows provided by operating activities	<u>193,190</u>
Cash flows from investing activities:	
Purchase of fixed assets	(248,389)
Proceeds from disposal of assets	3,128
Net cash flows (used in) investing activities	<u>(245,261)</u>
Net decrease in cash and cash equivalents	(52,071)
Cash and cash equivalents, beginning of year	<u>130,610</u>
Cash and cash equivalents, end of year	<u><u>\$ 78,539</u></u>

The notes to financial statements are an integral part of this statement.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2020

Note 1 – Summary of Significant Accounting Policies

Nature of Operations

The Community Action Program for Central Arkansas, Inc. (CAPCA) is a nonprofit community action agency that operates a variety of federal, state and locally funded programs providing services to the residents of Faulkner, White and Cleburne counties in Arkansas and other countries as approved by the funding sources. The operations of CAPCA are primarily funded by federal, state and local grant funds that are treated as exchange transactions, not as contributions. CAPCA receives immaterial amounts of support from donor contributions; consequently, the ability to collect and maintain its level of funding is directly affected by the funding available from federal, state and local sources.

The relative significance of its programs in terms of total expenditures was as follows as of March 31, 2020:

Children's programs	72.7%
Assistance to low-income individuals	26.2%
General community support	1.1%

Basis of Presentation

The accompanying financial statements have been presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

With Donor Restrictions: Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The donors of these assets permit the Organization to use all of the income earned on related investments for general or specific purpose.

Net assets with donor restrictions also include net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.

Without Donor Restrictions: Net assets not subject to donor-imposed stipulations.

Support that is restricted by donor is reported as an increase in net assets without donor restrictions, if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2020

Note 1 – Summary of Significant Accounting Policies

Subsequent Events

The Subsequent Events Topic of the Accounting Standards Codification (ASC) establishes general standards of accounting for and disclosure of events that occur after the statement of financial position date but before financial statements are issued or are available to be issued. CAPCA has evaluated all subsequent events for potential recognition and disclosure through August 17, 2020, the date these financial statements were available to be issued.

Income Taxes

The Organization has been recognized as exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income. Management annually reviews its tax position and has determined that there are no material uncertain tax positions that require recognition in the financial statements. The past three years are still open and are subject to IRS examination.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated. Significant estimates include management's estimated net realizable value of accounts receivable, estimated allocation of functional expenses, estimated lives and methods used to compute depreciation expense, and values attributed to donated services and use of facilities.

Cash

For the purposes of the statement of cash flows, CAPCA considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. CAPCA had no cash equivalents at March 31, 2020.

Accounts Receivable

Accounts receivable are stated at the amount CAPCA expects to collect. CAPCA uses the allowance method to determine uncollectible accounts. The allowance is based on prior years' experience and management's analysis of the account. Accounts are charged off to the allowance when management deems the account will not be collectible. Past due status is based on how recently payments have been made on the account. Management has evaluated and considers all accounts receivable at March 31, 2020, fully collectible, and as such, no allowance has been recorded.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2020

Note 1 – Summary of Significant Accounting Policies (Cont.)

Property and Equipment

Property and equipment are carried at cost or, if donated, at its estimated fair value at date of donation, net of accumulated depreciation. Purchases and donations in excess of \$5,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful life of each asset and totaled \$122,663 for the current year. Funding sources may retain equitable interest in property and equipment purchased with grant monies as well as the right to determine the use of any proceeds from the sale of the assets. The estimated useful lives, by class of asset, are as follows:

	<u>Years</u>
Buildings and improvements	15 – 30
Computer and other equipment	3 – 15
Vehicles	3 – 5

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Revenue Recognition

Grant revenue is recognized by CAPCA when services have been rendered and collectibility is reasonably assured. Contributions received are recorded as with or without donor restricted contributions, depending on the existence or nature of any donor restrictions.

Functional Expenses

Expenses are charged to programs based on direct expenditures incurred. Any expenditure not directly chargeable is allocated to programs based on allocation bases specified in the Administrative Manual.

Contributions

Contributions are recognized when the donor makes a promise to give to CAPCA that is, in substance, un-conditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires because the contributed resources are spent in accordance with the donor's instructions or because of passage of time, net assets with donor restrictions are reclassified to net assets without donor restriction.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2020

Note 1 – Summary of Significant Accounting Policies (Cont.)

Donated Services and Use of Facilities (In-Kind)

CAPCA receives a substantial amount of donated services and use of facilities in the operation of its Head Start program. A number of the federal and state programs operated by CAPCA have requirements concerning local matching funds, which can include donated services and use of facilities.

The Accounting for Contributions Received and Contributions Made topic of the ASC requires that in order for the value of donated services to be recognized in the financial statements that they must either (1) create or enhance a nonfinancial asset, or (2) require the specialized skills that would be purchased if they were not donated.

The values of donated services are computed by accumulating information on hours donated and multiplying it by a minimum wage plus a percentage for payroll taxes and benefits. Donated services totaled approximately \$1,118,733 for the year ended March 31, 2020.

Donated use of facilities is valued based on appraisals of the rental values, performed by certified independent appraisers of the properties.

Refundable Advances – Grant Revenues

CAPCA records a grant award as a refundable advance until it is expended for the purpose of the grant, at which time it becomes unconditional and is recognized as revenue. CAPCA considers its grant revenues as exchange transactions.

Compensated Absences

CAPCA permits full time and part time employees working at least 20 hours per week to accumulated annual leave benefits. Expenses and the related liabilities are recognized as the annual leave is earned and are computed using the regular pay rates in effect at the balance sheet date.

Risk Management

CAPCA is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets, business interruption, errors and omissions, employee injuries and illness, natural disasters and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from property losses, professional and general liability.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2020

Note 2 – Retirement Savings Plan

Effective April 1, 2001, CAPCA established a 401(k) profit sharing plan which is named CAPCA Retirement Savings Plan (the Plan). Employees can make a salary deferral election authorizing CAPCA to withhold up to 100% of the employee's compensation or the maximum allowed under the Internal Revenue Code, whichever is less. CAPCA may make a matching contribution each plan year of 200% of the elective deferrals up to 3% of the employee's eligible compensation.

The Plan covers all full-time employees of CAPCA. Employer matching contributions totaled approximately \$99,883 for the year ended March 31, 2020.

Note 3 – Concentrations of Risk

Support

A material part of CAPCA's support is derived from federal funds administered through contracts with the State of Arkansas or directly through the intermediary agency. For the year ended March 31, 2020, this support represented approximately 99% of CAPCA's total support and revenue. The loss of these contracts would have an adverse effect on CAPCA's ability to provide its services.

Cash

Deposits in financial institutions could potentially subject CAPCA to a risk of accounting loss to the extent of the uninsured/uncollateralized portion of those deposits. All deposits in financial institutions and are carried at cost. At March 31, 2020, CAPCA's carrying amount of deposits was \$70,561 and the bank balance was \$301,178. Of this balance \$301,178 was covered by FDIC insurance and \$0- was covered by additional safekeeping pledged in CAPCA's name.

Due to higher cash flows at certain times during the year, CAPCA's risk for uninsured and uncollateralized deposits could be higher or lower than at year end.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2020

Note 4 – Grants Receivable

CAPCA provides services under contracts with various federal and state and other awarding agencies on a reimbursement or unit of service basis. Grants receivable were as follows at March 31, 2020:

	<u>Amount</u>	<u>Percentage</u>
Head Start Program	\$ 362,870	48.9%
Home Energy Assistance Program	161,423	21.7%
Community Services Block Grant	87,279	11.8%
Weatherization Program	79,241	10.7%
Child and Adult Care Food Program	26,438	3.6%
Emergency Solutions Grant	23,067	3.1%
Temporary Food Assistance Program	3,005	0.2%
	<hr/>	<hr/>
Total grants receivable	\$ 743,323	100.0%

Note 5 – Contingent Liabilities

CAPCA was the recipient of various federal and state grants. These grant programs are subject to audit by the federal or state governments or their representatives. Accordingly, the amount, if any, of expenditures which may be disallowed by the program representatives cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2020

Note 6 – Deferred Revenue

Grant funds advanced to CAPCA but are unexpended at year end are reported as technically refundable to the grantor and reported as deferred revenue. Deferred revenues were as follows at March 31, 2020:

	<u>Amount</u>
Low Income Home Energy Assistance Program	12,001
Community Services Block Grant	2,313
Emergency Solutions Grant	2,623
	<hr/>
Total deferred revenue	<u>\$ 16,937</u>

Note 7 – Operating Leases

CAPCA leases office space under various operating leases expiring at various times. The rent expense for the year ended March 31, 2020, totaled approximately \$236,862.

Future minimum lease payments at March 31, 2020, are as follows:

<u>March 31,</u>	<u>Amount</u>
2021	\$ 210,980
2022	164,170
2023	99,585
2024	17,807
2025	3,600
Thereafter	26,400
	<hr/>
Total	<u>\$ 522,542</u>

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2020

Note 8 – Management of Liquidity

CAPCA is substantially supported through contracts and grants with federal and state agencies that are typically restricted for expenditure by the terms of those contracts and grants to a particular program or activity. At March 31, 2020 CAPCA had the following financial assets that could readily be made available within one year to fund expenses without limitations:

	<u>Amount</u>
Financial resources available:	
Cash and cash equivalents	\$ 78,539
Grants receivable	743,323
Total financial resources	<u>821,862</u>
Contractual imposed restrictions:	
Deferred revenue	(16,937)
Other required reserves:	
Annual leave reserve	<u>(84,588)</u>
 Financial resources available to liquidate liabilities and general expenditures within one year	 <u>\$ 1,542,199</u>

Note 9 – Prior Period Adjustment

Beginning net assets at March 31, 2019 increased by \$102,441 to correct a misstatement of deferred revenue that was reported for Headstart, LiHeap and ESG programs in prior years. These misstatements were carried over from predecessor management and auditors.

**SUPPLEMENTARY
INFORMATION**

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Schedule of Expenditures of Federal Awards

Year Ended March 31, 2020

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grant Award/ Pass-Through</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Agriculture</u>				
Passed-through Arkansas Department of Human Services:				
<i>Food Distribution Cluster:</i>				
Emergency Food Assistance Program	10.568	4600041107	\$ 31,607	\$ -
Administrative Costs				
Emergency Food Assistance Program	10.569	4600041107	481,496	-
Food Commodities			513,103	-
<i>Total Food Distribution Cluster</i>			<u> </u>	<u> </u>
Passed-through Arkansas Department of Human Services:				
Child and Adult Care Food Program (CACFP)	10.558	Q14	\$ 440,089	\$ -
Passed-through Louisiana Department of Education:				
Child and Adult Care Food Program (CACFP)	10.558	200-164527000	52,073	-
Total Child and Adult Care Food Program			<u>492,162</u>	<u> </u>
Total U.S. Department of Agriculture			\$ 1,005,265	\$ -
<u>U.S. Department of Housing and Urban Development</u>				
Passed-through Arkansas Department of Human Services:				
Emergency Solutions Grant Program	14.231	4600045241	\$ 49,808	\$ -
Emergency Solutions Grant Program	14.231	4600043092	119,443	-
Total U.S. Department of Housing and Urban Development			\$ 169,251	\$ -

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Schedule of Expenditures of Federal Awards

Year Ended March 31, 2020

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grant Award/ Pass-Through</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Energy</u>				
Passed-through Arkansas Economic Development Commission:				
Weatherization Assistance for Low-Income Persons	81.042	DE-EE0007906-2018/03	\$ 19,959	\$ -
Weatherization Assistance for Low-Income Persons	81.042	DE-EE0007906-2019/03	67,941	-
Total U.S. Department of Energy			\$ 87,900	\$ -
<u>U.S. Department of Health and Human Services</u>				
Direct Program:				
Head Start:				
Regional Head Start	93.600	06CH7197-05-02	\$ 2,218,954	\$ -
Early Head Start/Regional II	93.600	06CH010825-01-04	1,403,147	-
Early Head Start/Regional II	93.600	06H010825-02	255,792	-
Migrant Head Start	93.600	90CM00984201	321,060	-
Migrant Head Start	93.600	90CM9812-06-03	1,658,193	-
Total Head Start Program			<u>5,857,146</u>	<u>-</u>
Passed-through Arkansas Department of Human Services:				
Community Services Block Grant	93.569	CSBG-CSDI-18	\$ 3,231	\$ -
Community Services Block Grant	93.569	CSBG-CSDI-19	10,834	-
Community Services Block Grant	93.569	CSBG-19	209,817	-
Community Services Block Grant	93.569	CSBG-20	187,234	-
Community Services Block Grant	93.569	CSBG-CO	33,417	-
Total Community Services Block Grant			<u>444,533</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Schedule of Expenditures of Federal Awards

Year Ended March 31, 2020

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grant Award/ Pass-Through</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Health and Human Services (Cont.)</u>				
Passed-through Arkansas Department of Human Services:				
Low-Income Home Energy Assistance	93.568	4600041312	\$ 216,889	\$ -
Passed-through Arkansas Department of Environmental Quality:				
Low-Income Home Energy Assistance	93.568	LiHeap 2019 G992201	\$ 97,067	\$ -
Low-Income Home Energy Assistance	93.568	LiHeap 2020 G992201	45,254	-
Low-Income Home Energy Assistance	93.568	2003ARLIE/AE04 04	1,032,531	-
Total Low-Income Home Energy Assistance			<u>1,391,741</u>	<u>-</u>
Total U.S. Department of Health and Human Services			\$ 7,693,420	\$ -
Total Expenditures of Federal Awards			\$ 8,955,836	\$ -

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to the Schedule of Expenditures of Federal Awards

Year Ended March 31, 2020

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grants activity of CAPCA and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Note 2 – Summary of Significant Accounting Policies

- 1) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are not limited as to reimbursement.
- 2) Pass-through identifying numbers are presented when available.
- 3) The Agency has elected not to use the 10% de minimis indirect costs rate as allowed under the Uniform Guide.

Note 3 – Subrecipients

No awards were provided to subrecipients.

Note 4 – Matching Requirements

Certain federal programs require that the Agency contribute non-federal funds (matching funds) to support the federal-funded programs. The Agency has complied with the matching requirements. The expenditures of non-federal matching funds are not included on the schedule.

Note 5 – Contingencies

In connection with various federal grant programs, the Agency is obligated to administer related programs and spend the funds in accordance with regulatory restrictions, and is subject to audit by grantor agencies and other auditors. In cases of noncompliance, the agencies involved may require the Agency to refund program funds.

**ADDITIONAL
SUPPLEMENTARY
INFORMATION**

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Regional Head Start

Grant Number 06CH7197-05-02

Schedule of Revenues and Expenditures (Budget to Actual Non-GAAP)

April 1, 2019 Through March 31, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Grant revenues	\$ 2,247,030	\$ 2,218,954	\$ (28,076)
Non-Federal share	528,452	571,813	43,361
Total revenues	<u>2,775,482</u>	<u>2,790,767</u>	<u>15,285</u>
Expenditures:			
Personnel	1,489,095	1,426,179	62,916
Fringe benefits	322,625	224,803	97,822
Travel	-	2,244	(2,244)
Equipment	133,224	134,338	(1,114)
Supplies	30,075	44,241	(14,166)
Contractual	42,300	52,952	(10,652)
Other	229,711	334,197	(104,486)
Non-Federal share	528,452	571,813	(43,361)
Total expenses	<u>2,775,482</u>	<u>2,790,767</u>	<u>(15,285)</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Regional II and Early Head Start

Grant Number 06CHC10825-01-04

Schedule of Revenues and Expenditures (Budget to Actual Non-GAAP)

February 1, 2019 Through January 31, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Grant revenues	\$ 1,717,839	\$ 1,703,521	\$ (14,318)
Non-Federal share	402,627	348,614	(54,013)
Total revenues	<u>2,120,466</u>	<u>2,052,135</u>	<u>(68,331)</u>
Expenditures:			
Personnel	1,079,103	1,083,096	(3,993)
Fringe benefits	233,005	154,278	78,727
Travel	-	1,770	(1,770)
Equipment	108,832	107,332	1,500
Supplies	37,385	45,307	(7,922)
Contractual	37,040	48,994	(11,954)
Other	222,474	262,744	(40,270)
Non-Federal share of expenses	402,627	348,614	54,013
Total expenses	<u>2,120,466</u>	<u>2,052,135</u>	<u>68,331</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Migrant Seasonal Head Start

Grant Number 90CM9812-06-03

Schedule of Revenues and Expenditures (Budget to Actual Non-GAAP)

February 1, 2019 Through January 31, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Grant revenues	\$ 2,201,027	\$ 1,935,777	\$ (265,250)
Non-Federal share	230,486	239,770	9,284
Total revenues	<u>2,431,513</u>	<u>2,175,547</u>	<u>(255,966)</u>
Expenditures:			
Personnel	1,332,836	1,184,306	148,530
Fringe benefits	297,583	178,460	119,123
Travel	-	341	(341)
Equipment	91,222	96,555	(5,333)
Supplies	98,273	88,530	9,743
Other	381,113	387,585	(6,472)
Non-Federal share	230,486	239,770	(9,284)
Total expenses	<u>2,431,513</u>	<u>2,175,547</u>	<u>255,966</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
Low-Income Home Energy Assistance Program
Schedule of Revenues and Expenditures (Budget to Actual Non-GAAP)
October 1, 2018 Through September 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Grant revenues	\$ 1,412,541	\$ 1,254,660	\$ (157,881)
Interest income	-	179	179
Total revenues	<u>1,412,541</u>	<u>1,254,839</u>	<u>(157,702)</u>
Expenditures:			
Salaries and wages	126,309	116,457	9,852
Fringe benefits	18,712	14,038	4,674
Professional fees	3,000	3,824	(824)
Travel	843	2,621	(1,778)
Space rental and maintenance	14,963	11,482	3,481
Supplies	7,008	11,406	(4,398)
Insurance	350	1,107	(757)
Postage	3,675	3,412	263
Bank fees	-	11	(11)
Equipment and lease	2,000	3,638	(1,638)
Utilities	4,000	2,991	1,009
Telephone	3,500	5,397	(1,897)
Other expenses	22,520	30,800	(8,280)
Direct client utility assistance	1,205,661	1,047,655	158,006
Total expenses	<u>1,412,541</u>	<u>1,254,839</u>	<u>157,702</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Applications paid

Summer regular	2,834
Summer crisis intervention	846
Winter regular	2,903
Winter crisis intervention	811

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
Low-Income Home Energy Assistance Program
Schedule of Revenues and Expenditures – Non-GAAP
October 1, 2018 Through September 30, 2019

Administrative:	
Revenue	\$ 77,192
Expenditures	(77,192)
Administrative carryover	<u>-</u>
Winter regular assistance:	
Revenue	\$ 534,958
Expenditures	(436,549)
Regular assistance carryover	<u>98,409</u>
Summer regular assistance:	
Revenue	\$ 281,306
Expenditures	(368,365)
Regular assistance carryover	<u>(87,059)</u>
Summer crisis intervention:	
Revenue	\$ 150,665
Expenditures	(141,860)
Crisis assistance carryover	<u>8,805</u>
Winter crisis intervention:	
Revenue	\$ 188,259
Expenditures	(175,085)
Crisis intervention carryover	<u>13,174</u>
Assurance 16:	
Revenues	\$ 55,788
Expenditures	(55,788)
Assurance 16 carryover	<u>-</u>
Interest income	<u>\$ 179</u>
Total program carryover	
Total carryover returned to grantee	<u><u>\$ 33,508</u></u>

Administrative costs equaled 6.07% of total expenditures.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
Community Service Block Grant Funds
Schedule of Revenues and Expenditures (Budget to Actual Non-GAAP)
For the Period October 1, 2018 Through September 30, 2019

	Regular CSBG Funds:		
	CSBG 19		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Grant revenues	\$ 389,575	\$ 367,765	\$ (21,810)
Total revenues	<u>389,575</u>	<u>367,765</u>	<u>(21,810)</u>
Expenditures:			
Salaries	193,463	186,740	6,723
Fringe benefits	33,321	27,581	5,740
Travel	16,260	13,441	2,819
Supplies	16,000	13,003	2,997
Equipment	16,214	11,880	4,334
Contractual	9,135	5,361	3,774
Other expenses	55,756	57,597	(1,841)
Direct client benefits	49,426	52,162	(2,736)
Total expenses	<u>389,575</u>	<u>367,765</u>	<u>21,810</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Emergency Solutions Grant

Schedule of Revenues and Expenditures (Budget to Actual Non-GAAP)

For the Period October 1, 2018 Through September 30, 2019

	Grant No. 4600043092		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Grant revenues	\$ 217,535	\$ 217,535	\$ -
Total revenues	<u>217,535</u>	<u>217,535</u>	<u>-</u>
Expenditures:			
Street outreach	3,100	3,100	-
Emergency shelter	21,084	21,084	-
Rapid re-housing	168,283	168,283	-
Homeless prevention	23,599	23,599	-
HMIS	1,000	1,000	-
Administrative costs	469	469	-
Total expenses	<u>217,535</u>	<u>217,535</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
TEFAP – Commodities Distribution Administrative Funds
Schedule of Revenues and Expenditures – Non-GAAP
For the Period October 1, 2018 Through September 30, 2019

	Subgrant 4600041107		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Grant revenues	\$ 12,617	\$ 13,068	\$ 451
Total revenues	12,617	13,068	451
Expenditures:			
Salaries	5,343	4,307	1,036
Fringe benefits	1,947	645	1,302
Rent	2,255	2,416	(161)
Printing	500	-	500
Supplies	952	156	796
Other	1,620	2,276	(656)
Total expenses	12,617	9,800	2,817
Excess of revenues over expenditures	\$ -	\$ 3,268	\$ 3,268
Value of commodities distributed		\$ 244,451	
Units of service:			
Number of cases		5,322	
Number of bonus cases		5,938	
Number of households served		6,985	

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Child and Adult Care Food Program

Units of Service Provided

April 1, 2019 Through March 31, 2020

	Arkansas		
	<u>Breakfast</u>	<u>Lunch</u>	<u>Snacks</u>
April	5,912	9,810	13,022
May	3,417	5,296	6,649
June	1,489	1,674	1,843
July	1,559	1,826	2,037
August	2,241	3,339	4,312
September	5,735	9,368	12,557
October	6,296	10,246	13,622
November	4,205	6,639	8,747
December	3,808	6,280	8,258
January	4,258	7,157	9,633
February	4,712	7,685	10,290
March	2,409	4,049	5,484
	<u>46,041</u>	<u>73,369</u>	<u>96,454</u>

	Louisiana		
	<u>Breakfast</u>	<u>Lunch</u>	<u>Snacks</u>
April	920	896	827
May	1,016	992	929
June	594	581	508
July	819	809	756
August	673	664	606
September	737	726	658
October	878	871	821
November	615	602	564
December	592	582	553
January	814	808	773
February	367	359	339
March	331	326	302
	<u>8,356</u>	<u>8,216</u>	<u>7,636</u>

**OTHER
REQUIRED
REPORTS**



Welch, Couch & Company, PA Certified Public Accountants

John Ed Welch, CPA | William T. Couch, Jr., CPA
Jeff D. Welch, CPA, JD | Rachel M. Pennywitt, CPA

Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Community Action Program for Central Arkansas, Inc.
Conway, Arkansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Action Program for Central Arkansas, Inc. (CAPCA) (a nonprofit organization), which comprise the statement of financial position as of March 31, 2020, and the related statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 17, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CAPCA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CAPCA's internal control. Accordingly, we do not express an opinion on the effectiveness of CAPCA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CAPCA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Welch, Couch & Company, PA
Certified Public Accountants

Batesville, Arkansas
August 17, 2020



Welch, Couch & Company, PA Certified Public Accountants

John Ed Welch, CPA | William T. Couch, Jr., CPA
Jeff D. Welch, CPA, JD | Rachel M. Pennywitt, CPA

Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Community Action Program for Central Arkansas, Inc.
Conway, Arkansas

Report on Compliance for Each Major Federal Program

We have audited Community Action Program for Central Arkansas, Inc.'s (CAPCA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CAPCA's major federal programs for the year ended March 31, 2020. CAPCA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of CAPCA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CAPCA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CAPCA's compliance.

Opinion on Each Major Federal Program

In our opinion, CAPCA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2020.

Report on Internal Control Over Compliance

Management of CAPCA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CAPCA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CAPCA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Welch, Couch & Company, PA
Certified Public Accountants

Batesville, Arkansas
August 17, 2020

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Schedule of Findings and Questioned Cost

For the Year Ended March 31, 2020

Section I – Summary of Audit Results

Financial Statements

Type of Auditor's Report:	Unmodified
Internal Control Over Financial Reporting:	
Material Weakness Identified	No
Significant Deficiencies Identified that are not considered to be Material Weaknesses	No
Non-Compliance material to Financial Statements noted:	None Reported

Federal Awards

Internal Control Over Major Programs:	
Material Weakness Identified	No
Significant Deficiencies Identified that are not considered to be Material Weaknesses	No
Type of Auditor's Report issued on Compliance for Major Programs:	Unmodified
Findings required to be reported in accordance with 2CFR Section 200.516(a):	None Reported
Identification of Major Programs:	

CFDA Number

93.568	Low-Income Home Energy Assistance
93.600	Head Start

Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	\$750,000
Auditee Qualified as Low Risk Auditee:	No

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
Schedule of Findings and Questioned Cost (Cont.)
For the Year Ended March 31, 2020

Section II – Financial Statement Findings

Significant Deficiencies

No matters reported

Material Weaknesses

No matters reported

Section III – Federal Award Findings and Questioned Costs

Significant Deficiencies

No matters reported

Material Weaknesses

No matters reported

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
Prior Year Schedule of Findings and Questioned Costs
For the Year Ended March 31, 2019

Section I – Summary of Audit Results

Financial Statements

Type of Auditor's Report:	Unmodified
Internal Control Over Financial Reporting:	
Material Weakness Identified	No
Significant Deficiencies Identified that are not considered to be Material Weaknesses	No
Non-Compliance material to Financial Statements noted:	None Reported

Federal Awards

Internal Control Over Major Programs:	
Material Weakness Identified	No
Significant Deficiencies Identified that are not considered to be Material Weaknesses	No
Type of Auditor's Report issued on Compliance for Major Programs:	Unmodified
Findings required to be reported in accordance with 2CFR Section 200.516(a):	No
Identification of Major Programs:	

CFDA Number

93.568	Low-Income Home Energy Assistance
93.600	Head Start

Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	\$750,000
Auditee Qualified as Low Risk Auditee:	No

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Prior Year Schedule of Findings and Questioned Costs

For the Year Ended March 31, 2019

Section II – Financial Statement Findings

Significant Deficiencies

No matters reported

Material Weaknesses

No matters reported

Section III – Federal Award Findings and Questioned Costs

Significant Deficiencies

No matters reported

Material Weaknesses

No matters reported

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Supplemental Data Sheet

Year Ended March 31, 2020

- 1) Entity's Full Name: Community Action Program for Central Arkansas, Inc.
- 2) Entity's Address: 707 Robins Street, Suite 118
Conway, AR 72034
- 3) Entity's FEIN: 71-0393919
- 4) Entity's Telephone Number: (501) 329-3891
- 5) Name of Director: Jennifer Welter, Executive Director
- 6) Name of Contact Person: Elizabeth Dunlap, Fiscal Officer

**COMMUNITY ACTION PROGRAM FOR
CENTRAL ARKANSAS, INC.**

**Independent Auditor's Report
and Financial Statements**

March 31, 2021

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

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**INDEPENDENT
AUDITOR'S
REPORT**



Welch, Couch & Company, PA Certified Public Accountants

John Ed Welch, CPA | William T. Couch, Jr., CPA
Jeff D. Welch, CPA, JD | Rachel M. Pennywitt, CPA

Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Action Program for Central Arkansas, Inc.
Conway, Arkansas

Report on the Financial Statements

We have audited the accompanying financial statements of Community Action Program for Central Arkansas, Inc. (a nonprofit organization) (CAPCA), which comprise the statement of financial position as of March 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Batesville: PO Box 2094 | Batesville, AR 72503 | P: 870.793.5231 | F: 870.793.7788
Salem: PO Box 647 | Salem, AR 72576 | P: 870.895.3212 | F: 870.895.2998
West Plains: 1386 Bill Virdon Blvd. | West Plains, MO 65775 | P: 417.256.6624 | F: 417.256.1171

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CAPCA as of March 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFE) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The schedule of units of services is presented for the purpose of additional analysis and is not a required part of the general-purpose financial statements of CAPCA. Such additional information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2021, on our consideration of CAPCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CAPCA's internal control over financial reporting and compliance.

Welch, Couch & Company, PA
Certified Public Accountants

Batesville, Arkansas
July 28, 2021

**BASIC
FINANCIAL
STATEMENTS**

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Statement of Financial Position

March 31, 2021

Assets

Current assets:

Cash and cash equivalents - Notes 1 and 3	\$ 294,140
Grants receivable - Note 4	890,649
Prepaid expenses	29,577
Total current assets	<u>1,214,366</u>

Property and equipment - Note 1

Building and improvements	1,106,584
Furniture and equipment	703,876
Vehicles	968,093
Total property and equipment	<u>2,778,553</u>
Accumulated depreciation	<u>(1,735,231)</u>
Total property and equipment, net of accumulated depreciation	<u>1,043,322</u>

Total assets	<u>\$ 2,257,688</u>
---------------------	----------------------------

Liabilities and Net Assets

Current liabilities:

Accounts payable	\$ 242,728
Accrued salaries and benefits	299,815
Deferred revenue - Note 6	106,581
Total current liabilities	<u>649,124</u>

Net assets

Without donor restrictions - Note 1	
Undesignated	565,242
Property and equipment	1,043,322
Total net assets	<u>1,608,564</u>

Total liabilities and net assets	<u>\$ 2,257,688</u>
---	----------------------------

The notes to financial statements are an integral part of this statement.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Statement of Activities

Year Ended March 31, 2021

	Without Donor Restrictions
Revenues, gains and other support	
Federal contracts and grants	\$ 9,885,487
Contributions and grants	378,754
In-kind income	788,310
Interest income	428
Other income	23,654
Total revenues, gains and other support	<u>11,076,633</u>
Expenses:	
Salaries	4,209,562
Payroll taxes	330,280
Fringe benefits	292,072
Supplies	530,187
Repairs and maintenance	234,892
Travel and training	40,280
Utilities and telephone	258,589
Insurance	99,924
Rent	289,210
Professional fees	45,900
Consulting fees	3,103
Food and nutrition supplies	992,556
Direct assistance	1,796,048
Other client services	806,589
Miscellaneous	154,594
In-kind expenditures	788,310
Total program related expenses	<u>10,872,096</u>
Depreciation expense	<u>127,923</u>
Total expenditures	<u>11,000,019</u>
Increase in net assets	76,614
Net assets - beginning of year	<u>1,531,950</u>
Net assets - end of year	<u><u>\$ 1,608,564</u></u>

The notes to financial statements are an integral part of this statement.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Statement of Functional Expenses

Year Ended March 31, 2021

	Head Start	Child and Adult Food Care Program	Community Services Block Grant	Low Income Home Energy Assistance	Weatherization Assistance Program	Emergency Solutions Grant	Temporary Emergency Food Assistance	Other Miscellaneous Programs and Agency	Total Program Services
Revenues, gains and other support									
Government contracts and grants:									
Federal contracts and grants	\$ 5,396,874	\$ 126,289	\$ 707,485	\$ 1,932,136	\$ 216,099	\$ 341,867	\$ 632,636	\$ 532,101	\$ 9,885,487
Contributions and grants	-	-	-	-	-	-	-	378,754	378,754
In-kind income	788,310	-	-	-	-	-	-	-	788,310
Interest income	-	-	-	164	-	-	-	264	428
Other income	-	-	-	-	-	-	-	23,654	23,654
Total revenues, gains and other support	6,185,184	126,289	707,485	1,932,300	216,099	341,867	632,636	934,773	11,076,633
Expenditures									
Program services:									
Salaries	3,509,070	-	283,435	185,401	79,971	77,201	12,379	52,105	4,209,562
Payroll taxes	270,720	-	25,199	15,894	7,639	6,642	971	3,215	330,280
Fringe benefits	252,217	-	14,121	8,702	5,866	5,252	562	5,352	292,072
Supplies	370,924	-	73,482	38,269	5,824	5,948	7,548	28,192	530,187
Repairs and maintenance	198,980	-	13,692	1,871	2,554	336	1,247	16,212	234,892
Travel and training	35,283	-	1,900	281	1,095	108	1,408	205	40,280
Utilities and telephone	213,855	-	26,608	9,596	3,539	771	496	3,724	258,589
Insurance	87,379	-	7,351	1,991	3,123	-	80	-	99,924
Rent	206,330	-	45,677	17,750	7,975	-	2,133	9,345	289,210
Professional fees	37,360	-	3,993	3,894	653	-	-	-	45,900
Consulting fees	1,552	-	706	-	-	-	-	845	3,103
Food and nutrition supplies	83,444	126,289	52,846	-	15	105	602,979	126,878	992,556
Direct assistance	-	-	12,409	1,641,283	133,779	6,963	-	1,614	1,796,048
Other client services	14,644	-	116,108	1,854	657	239,820	-	433,506	806,589
Miscellaneous	114,016	-	19,958	5,514	2,776	-	938	11,392	154,594
In-kind expenditures	788,310	-	-	-	-	-	-	-	788,310
Total program related expenditures	6,184,084	126,289	707,485	1,932,300	255,466	343,146	630,741	692,585	10,872,096
Depreciation expense	1,100	-	-	-	-	-	-	126,823	127,923
Total expenditures	6,185,184	126,289	707,485	1,932,300	255,466	343,146	630,741	819,408	11,000,019
Increase (decrease) in net assets	\$ -	\$ -	\$ -	\$ -	\$ (39,367)	\$ (1,279)	\$ 1,895	\$ 115,365	\$ 76,614

The notes to financial statements are an integral part of this statement.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Statement of Cash Flows

Year Ended March 31, 2021

Cash flows from operating expenses:	
Change in net assets	\$ 76,614
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	127,923
(Gain) on disposal of assets	(6,535)
Net changes in:	
Grants receivable	(147,326)
Prepaid expenses	260
Accounts payable	85,797
Accrued expenses	(17,311)
Deferred revenue	89,644
Net cash flows provided by operating activities	<u>209,066</u>
Cash flows from investing activities:	
Proceeds from disposal of assets	6,535
Net cash flows provided by investing activities	<u>6,535</u>
Net increase in cash and cash equivalents	215,601
Cash and cash equivalents, beginning of year	<u>78,539</u>
Cash and cash equivalents, end of year	<u><u>\$ 294,140</u></u>

The notes to financial statements are an integral part of this statement.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2021

Note 1 – Summary of Significant Accounting Policies

Nature of Operations

The Community Action Program for Central Arkansas, Inc. (CAPCA) is a nonprofit community action agency that operates a variety of federal, state and locally funded programs providing services to the residents of Faulkner, White and Cleburne counties in Arkansas and other countries as approved by the funding sources. The operations of CAPCA are primarily funded by federal, state and local grant funds that are treated as exchange transactions, not as contributions. CAPCA receives immaterial amounts of support from donor contributions; consequently, the ability to collect and maintain its level of funding is directly affected by the funding available from federal, state and local sources.

The relative significance of its programs in terms of total expenditures was as follows as of March 31, 2021:

Children's programs	57.4%
Assistance to low-income individuals	35.2%
General community support	7.4%

Basis of Presentation

The accompanying financial statements have been presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

With Donor Restrictions: Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The donors of these assets permit the Organization to use all of the income earned on related investments for general or specific purpose.

Net assets with donor restrictions also include net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.

Without Donor Restrictions: Net assets not subject to donor-imposed stipulations.

Support that is restricted by donor is reported as an increase in net assets without donor restrictions, if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2021

Note 1 – Summary of Significant Accounting Policies

Subsequent Events

The Subsequent Events Topic of the Accounting Standards Codification (ASC) establishes general standards of accounting for and disclosure of events that occur after the statement of financial position date but before financial statements are issued or are available to be issued. CAPCA has evaluated all subsequent events for potential recognition and disclosure through July 28, 2021, the date these financial statements were available to be issued. No events noted which would require disclosure in the footnotes to the financial statements.

Income Taxes

The Organization has been recognized as exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income. Management annually reviews its tax position and has determined that there are no material uncertain tax positions that require recognition in the financial statements. The past three years are still open and are subject to IRS examination.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated. Significant estimates include management's estimated net realizable value of accounts receivable, estimated allocation of functional expenses, estimated lives and methods used to compute depreciation expense, and values attributed to donated services and use of facilities.

Cash

For the purposes of the statement of cash flows, CAPCA considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. CAPCA had no cash equivalents at March 31, 2021.

Grants Receivable

Grants receivable are stated at the amount CAPCA expects to collect. CAPCA uses the allowance method to determine uncollectible accounts. The allowance is based on prior years' experience and management's analysis of the account. Accounts are charged off to the allowance when management deems the account will not be collectible. Past due status is based on how recently payments have been made on the account. Management has evaluated and considers all grants receivable at March 31, 2021, fully collectible, and as such, no allowance has been recorded.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2021

Note 1 – Summary of Significant Accounting Policies (Cont.)

Property and Equipment

Property and equipment are carried at cost or, if donated, at its estimated fair value at date of donation, net of accumulated depreciation. Purchases and donations in excess of \$5,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful life of each asset and totaled \$127,923 for the current year. Funding sources may retain equitable interest in property and equipment purchased with grant monies as well as the right to determine the use of any proceeds from the sale of the assets. The estimated useful lives, by class of asset, are as follows:

	<u>Years</u>
Buildings and improvements	15 – 30
Computer and other equipment	3 – 15
Vehicles	3 – 5

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to CAPCA that is, in substance, un-conditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires because the contributed resources are spent in accordance with the donor's instructions or because of passage of time, net assets with donor restrictions are reclassified to net assets without donor restriction.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

A. Grant Awards That Are Contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources in accordance with the terms of the award and ASC Topic 605. Revenue is recognized in the accounting period when the related expenses are incurred. Amounts received or receivable in excess of expenses are reflected as a refundable advance liability.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2021

Note 1 – Summary of Significant Accounting Policies (Cont.)

Revenue Recognition (Cont.)

B. Grant Awards That Are Exchange Transactions

Exchange transactions are reimbursed based on a predetermined rate for services performed in accordance with the terms of the award and ASC Topic 606. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability. The Organization has no grant awards that are exchange transactions.

Functional Expenses

Expenses are charged to programs based on direct expenditures incurred. Any expenditure not directly chargeable is allocated to programs based on allocation bases specified in the Administrative Manual.

Donated Services and Use of Facilities (In-Kind)

CAPCA receives a substantial amount of donated services and use of facilities in the operation of its Head Start program. A number of the federal and state programs operated by CAPCA have requirements concerning local matching funds, which can include donated services and use of facilities.

The Accounting for Contributions Received and Contributions Made topic of the ASC requires that in order for the value of donated services to be recognized in the financial statements that they must either (1) create or enhance a nonfinancial asset, or (2) require the specialized skills that would be purchased if they were not donated.

The values of donated services are computed by accumulating information on hours donated and multiplying it by a minimum wage plus a percentage for payroll taxes and benefits. Donated services totaled approximately \$788,310 for the year ended March 31, 2021.

Donated use of facilities is valued based on appraisals of the rental values, performed by certified independent appraisers of the properties.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2021

Note 1 – Summary of Significant Accounting Policies (Cont.)

Refundable Advances – Grant Revenues

CAPCA records a grant award as a refundable advance until it is expended for the purpose of the grant, at which time it becomes unconditional and is recognized as revenue.

Compensated Absences

CAPCA permits full time and part time employees working at least 20 hours per week to accumulated annual leave benefits. Expenses and the related liabilities are recognized as the annual leave is earned and are computed using the regular pay rates in effect at the balance sheet date.

Risk Management

CAPCA is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets, business interruption, errors and omissions, employee injuries and illness, natural disasters and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from property losses, professional and general liability.

Note 2 – Retirement Savings Plan

Effective April 1, 2001, CAPCA established a 401(k) profit sharing plan which is named CAPCA Retirement Savings Plan (the Plan). Employees can make a salary deferral election authorizing CAPCA to withhold up to 100% of the employee's compensation or the maximum allowed under the Internal Revenue Code, whichever is less. CAPCA may make a matching contribution each plan year of 200% of the elective deferrals up to 3% of the employee's eligible compensation.

The Plan covers all full-time employees of CAPCA. Employer matching contributions totaled approximately \$116,273 for the year ended March 31, 2021.

Note 3 – Concentrations of Risk

Support

A material part of CAPCA's support is derived from federal funds administered through contracts with the State of Arkansas or directly through the intermediary agency. For the year ended March 31, 2021, this support represented approximately 89% of CAPCA's total support and revenue. The loss of these contracts would have an adverse effect on CAPCA's ability to provide its services.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2021

Note 3 – Concentrations of Risk (Cont.)

Cash

Deposits in financial institutions could potentially subject CAPCA to a risk of accounting loss to the extent of the uninsured/uncollateralized portion of those deposits. All deposits in financial institutions are carried at cost. At March 31, 2021, CAPCA's carrying amount of deposits was \$294,140 and the bank balance was \$486,441. Of this balance \$276,651 was covered by FDIC insurance and \$209,790 was covered by additional safekeeping pledged in CAPCA's name.

Due to higher cash flows at certain times during the year, CAPCA's risk for uninsured and uncollateralized deposits could be higher or lower than at year end.

Note 4 – Grants Receivable

CAPCA provides services under contracts with various federal and state and other awarding agencies on a reimbursement or unit of service basis. Grants receivable were as follows at March 31, 2021:

	<u>Amount</u>	<u>Percentage</u>
Head Start Program	\$ 363,302	40.8%
Head Start Program - COVID-19	15,963	1.8%
Home Energy Assistance Program	147,913	16.6%
Community Services Block Grant	72,790	8.2%
Community Services Block Grant - COVID-19	111,161	12.5%
Weatherization Program	25,405	2.9%
Child and Adult Care Food Program	27,533	3.1%
Emergency Solutions Grant	9,604	1.1%
Emergency Solutions Grant - COVID-19	113,791	12.8%
Temporary Food Assistance Program	3,187	0.2%
Total grants receivable	\$ 890,649	100.0%

Note 5 – Contingent Liabilities

CAPCA was the recipient of various federal and state grants. These grant programs are subject to audit by the federal or state governments or their representatives. Accordingly, the amount, if any, of expenditures which may be disallowed by the program representatives cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2021

Note 6 – Deferred Revenue

Grant funds advanced to CAPCA but are unexpended at year end are reported as technically refundable to the grantor and reported as deferred revenue. Deferred revenues were as follows at March 31, 2021:

	<u>Amount</u>
Arkansas Fresh Start - CDBG	97,764
Community Services Block Grant	813
Emergency Solutions Grant	2,623
Community Services Block Grant - COVID-19	5,381
	<hr/>
Total deferred revenue	\$ 106,581

Note 7 – Operating Leases

CAPCA leases office space under various operating leases expiring at various times. The rent expense for the year ended March 31, 2021, totaled approximately \$218,572.

Future minimum lease payments at March 31, 2021, are as follows:

<u>March 31,</u>	<u>Amount</u>
2022	\$ 215,350
2023	114,135
2024	68,627
2025	3,600
2026	3,600
Thereafter	22,800
	<hr/>
Total	\$ 428,112

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to Financial Statements

Year Ended March 31, 2021

Note 8 – Management of Liquidity

CAPCA is substantially supported through contracts and grants with federal and state agencies that are typically restricted for expenditure by the terms of those contracts and grants to a particular program or activity. At March 31, 2021 CAPCA had the following financial assets that could readily be made available within one year to fund expenses without limitations:

	<u>Amount</u>
Financial resources available:	
Cash and cash equivalents	\$ 294,140
Grants receivable	890,649
Total financial resources	<u>1,184,789</u>
Contractual imposed restrictions:	
Deferred revenue	(106,581)
Other required reserves:	
Annual leave reserve	<u>(88,091)</u>
Financial resources available to liquidate liabilities and general expenditures within one year	<u><u>\$ 990,117</u></u>

Note 9 – Paycheck Protection Program

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law. Included in the CARES Act was the Paycheck Protection Program, which enabled the Small Business Administration (SBA) to guarantee low-interest rate loans to qualifying entities. The PPP loans may be partially or fully forgiven, if employees are retained and funds are used for eligible expenses.

CAPCA used all of its funds provided by the Paycheck Protection Program on eligible expenses. CAPCA has recognized \$27,396 as a government grant on the statement of activities.

**SUPPLEMENTARY
INFORMATION**

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
Schedule of Expenditures of Federal Awards

Year Ended March 31, 2021

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grant Award/ Pass-Through</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture			
Passed-through Arkansas Department of Human Services:			
<i>Food Distribution Cluster:</i>			
Emergency Food Assistance Program	10.568	4600041107	\$ 13,242
Administrative Costs			
Emergency Food Assistance Program	10.568	4600045241	15,184
Administrative Costs			
Emergency Food Assistance Program	10.568	N/A	70,504
Administrative Costs - COVID-19			
Emergency Food Assistance Program	10.569	4600041107	236,850
Food Commodities			<u>335,780</u>
<i>Total Food Distribution Cluster</i>			
Passed-through Arkansas Department of Human Services:			
TEFAP Trade Mitigation	10.178	N/A	\$ 294,961
Passed-through Arkansas Department of Human Services:			
Child and Adult Care Food Program (CACFP)	10.558	Q14	113,610
Passed-through Louisiana Department of Education:			
Child and Adult Care Food Program (CACFP)	10.558	200-164527000	12,679
Total Child and Adult Care Food Program			<u>421,250</u>
Total U.S. Department of Agriculture			\$ 757,030

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
Schedule of Expenditures of Federal Awards

Year Ended March 31, 2021

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Grant Award/ Pass-Through</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed-through Arkansas Department of Human Services:			
Emergency Solutions Grant Program	14.231	4501910335	\$ 61,241
Emergency Solutions Grant Program	14.231	4501978095	82,677
Emergency Solutions Grant Program	14.231	4600047382	199,228
Passed-through Arkansas Economic Development Commission:			
Community Development Block Grant - COVID-19	14.218	N/A	147,236
Total U.S. Department of Housing and Urban Development			
\$ 490,382			
<u>U.S. Department of Energy</u>			
Passed-through Arkansas Economic Development Commission:			
Weatherization Assistance for Low-Income Persons	81.042	DE-EE0007906-2019/03	\$ 22,428
Weatherization Assistance for Low-Income Persons	81.042	DE-EE0007906-2020/03	82,786
Total U.S. Department of Energy			
\$ 105,214			

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
Schedule of Expenditures of Federal Awards

Year Ended March 31, 2021

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Grant Award/ Pass-Through</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
Direct Program:			
Head Start:			
Regional Head Start	93.600	06CH01144101	\$ 2,051,201
Early Head Start/Regional II	93.600	06CH010825-03	257,875
Early Head Start/Regional II	93.600	06H010825-02	1,276,720
Migrant Seasonal Head Start	93.600	90CM00984201	1,344,052
Migrant Seasonal Head Start	93.600	90CM00984202	261,261
Early Head Start/Regional II - COVID-19	93.600	06CH01082502C3	61,800
Regional Head Start - COVID-19	93.600	06CH01144101C3	95,836
Migrant Seasonal Head Start - COVID-19	93.600	90CM00984201C3	48,129
Total Head Start Program			<u>5,396,874</u>
Passed-through, Arkansas Department of Human Services:			
Community Services Block Grant	93.569	CSBG-20-04	\$ 377,310
Community Services Block Grant	93.569	CSBG-20-04-DISC	46,810
Community Services Block Grant	93.569	CSBG-20-04-C	10,314
Community Services Block Grant - COVID-19	93.569	CARES-21-04	273,051
Total Community Services Block Grant			<u>707,485</u>

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
Schedule of Expenditures of Federal Awards

Year Ended March 31, 2021

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Grant Award/ Pass-Through</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services (Cont.)</u>			
Passed-through Arkansas Energy Office, Division of Environmental Quality:			
Low-Income Home Energy Assistance - WX	93.568	LiHeap 2020 G992201	\$ 111,288
Low-Income Home Energy Assistance - WX	93.568	LiHeap 2021 G992201	38,964
Low-Income Home Energy Assistance	93.568	2003ARLIEA/AE04 04	1,104,620
Low-Income Home Energy Assistance	93.568	2103ARLIEA/AE0404	525,217
Low-Income Home Energy Assistance - COVID-19	93.568	2003ARE5C3/AEO	288,129
Low-Income Home Energy Assistance - COVID-19	93.568	2003ARE5C3/AEO	14,334
Total Low-Income Home Energy Assistance			<u>2,082,552</u>
Passed-through Arkansas Department of Human Services			
Child Care and Development Block Grant	93.575	N/A	51,250
Child Care and Development Block Grant - COVID-19	93.575	N/A	127,000
Total Child Care and Development Block Grant			<u>178,250</u>
Total U.S. Department of Health and Human Services			\$ 8,365,161
<u>U.S. Department of Treasury</u>			
Passed-through Arkansas Economic Development Commission:			
Coronavirus Relief Fund	21.019	N/A	179,219
Total U.S. Department of Treasury			<u>179,219</u>
Total Expenditures of Federal Awards			\$ 9,897,006

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Notes to the Schedule of Expenditures of Federal Awards

Year Ended March 31, 2021

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grants activity of CAPCA and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Note 2 – Summary of Significant Accounting Policies

- 1) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are not limited as to reimbursement.
- 2) Pass-through identifying numbers are presented when available.
- 3) The Agency has elected not to use the 10% de minimis indirect costs rate as allowed under the Uniform Guide.

Note 3 – Subrecipients

No awards were provided to subrecipients.

Note 4 – Matching Requirements

Certain federal programs require that the Agency contribute non-federal funds (matching funds) to support the federal-funded programs. The Agency has complied with the matching requirements. The expenditures of non-federal matching funds are not included on the schedule.

Note 5 – Contingencies

In connection with various federal grant programs, the Agency is obligated to administer related programs and spend the funds in accordance with regulatory restrictions, and is subject to audit by grantor agencies and other auditors. In cases of noncompliance, the agencies involved may require the Agency to refund program funds.

**ADDITIONAL
SUPPLEMENTARY
INFORMATION**

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Regional Head Start

Grant Number 06CH011441-01

Schedule of Revenues and Expenditures (Budget to Actual Non-GAAP)

April 1, 2020 Through March 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Grant revenues	\$ 2,241,915	\$ 2,051,201	\$ (190,714)
Non-Federal share	528,452	421,195	(107,257)
Total revenues	<u>2,770,367</u>	<u>2,472,396</u>	<u>(297,971)</u>
Expenditures:			
Personnel	1,501,282	1,368,259	133,023
Fringe benefits	334,108	208,477	125,631
Travel	2,500	252	2,248
Supplies	53,574	93,772	(40,198)
Contractual	47,725	44,487	3,238
Other	302,726	335,954	(33,228)
Non-Federal share	528,452	421,195	107,257
Total expenses	<u>2,770,367</u>	<u>2,472,396</u>	<u>297,971</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Regional II and Early Head Start

Grant Number 06CHC10825-02

Schedule of Revenues and Expenditures (Budget to Actual Non-GAAP)

February 1, 2020 Through January 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues:			
Grant revenues	\$ 1,595,669	\$ 1,532,512	\$ (63,157)
Non-Federal share	377,627	235,382	(142,245)
Total revenues	<u>1,973,296</u>	<u>1,767,894</u>	<u>(205,402)</u>
Expenditures:			
Personnel	1,121,104	1,047,646	73,458
Fringe benefits	247,478	148,905	98,573
Travel	1,640	416	1,224
Equipment	-	238	(238)
Supplies	25,260	50,391	(25,131)
Contractual	24,175	27,398	(3,223)
Other	176,012	257,518	(81,506)
Non-Federal share of expenses	377,627	235,382	142,245
Total expenses	<u>1,973,296</u>	<u>1,767,894</u>	<u>205,402</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Migrant Seasonal Head Start

Grant Number 90CM009842-01

Schedule of Revenues and Expenditures (Budget to Actual Non-GAAP)

February 1, 2020 Through January 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Grant revenues	\$ 2,206,364	\$ 1,665,112	\$ (541,252)
Non-Federal share	127,446	135,765	8,319
Total revenues	<u>2,333,810</u>	<u>1,800,877</u>	<u>(532,933)</u>
Expenditures:			
Personnel	1,469,767	1,100,506	369,261
Fringe benefits	326,549	168,123	158,426
Travel	5,383	44	5,339
Equipment	-	2,414	(2,414)
Supplies	67,358	59,747	7,611
Contractual	31,175	25,438	5,737
Other	306,132	308,840	(2,708)
Non-Federal share	127,446	135,765	(8,319)
Total expenses	<u>2,333,810</u>	<u>1,800,877</u>	<u>532,933</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
Low-Income Home Energy Assistance Program
Schedule of Revenues and Expenditures (Budget to Actual Non-GAAP)
October 1, 2019 Through September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Grant revenues	\$ 1,690,006	\$ 1,597,900	\$ (92,106)
Interest income	-	151	151
Total revenues	<u>1,690,006</u>	<u>1,598,051</u>	<u>(91,955)</u>
Expenditures:			
Salaries and wages	169,103	158,108	10,995
Fringe benefits	22,957	19,305	3,652
Professional fees	3,000	3,894	(894)
Travel	2,250	1,769	481
Space rental and maintenance	21,544	14,656	6,888
Supplies	18,740	29,082	(10,342)
Insurance	500	1,430	(930)
Postage	7,700	8,331	(631)
Bank fees	2,000	1,848	152
Equipment and lease	8,907	3,825	5,082
Utilities	6,500	3,926	2,574
Telephone	6,250	4,734	1,516
Direct client utility assistance	1,420,555	1,347,143	73,412
Total expenses	<u>1,690,006</u>	<u>1,598,051</u>	<u>91,955</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Applications paid

Summer regular	2,502
Summer crisis intervention	265
Winter regular	2,681
Winter crisis intervention	770

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Low-Income Home Energy Assistance Program

Schedule of Revenues and Expenditures – Non-GAAP

October 1, 2019 Through September 30, 2020

Revenue	\$ 105,970
Expenditures	<u>(105,970)</u>
Administrative carryover	<u>-</u>
 Winter regular assistance:	
Revenue	\$ 393,610
Expenditures	<u>(432,928)</u>
Regular assistance carryover	<u>(39,318)</u>
 Summer regular assistance:	
Revenue	\$ 696,513
Expenditures	<u>(657,488)</u>
Regular assistance carryover	<u>39,025</u>
 Summer crisis intervention:	
Revenue	\$ 163,319
Expenditures	<u>(153,381)</u>
Crisis assistance carryover	<u>9,938</u>
 Winter crisis intervention:	
Revenue	\$ 238,500
Expenditures	<u>(248,284)</u>
Crisis intervention carryover	<u>(9,784)</u>
 Assurance 16:	
Revenues	\$ -
Expenditures	<u>-</u>
Assurance 16 carryover	<u>-</u>
 Interest income	 <u>\$ 151</u>
 Total program carryover	
Total carryover returned to grantee	<u><u>\$ -</u></u>

Administrative costs equaled 7% of total expenditures.

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
Community Service Block Grant Funds
Schedule of Revenues and Expenditures (Budget to Actual Non-GAAP)
For the Period October 1, 2019 Through September 30, 2020

	Regular CSBG Funds:		
	CSBG 20		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Grant revenues	\$ 401,609	\$ 394,717	\$ (6,892)
Total revenues	<u>401,609</u>	<u>394,717</u>	<u>(6,892)</u>
Expenditures:			
Salaries	195,304	213,621	(18,317)
Fringe benefits	34,473	28,117	6,356
Travel	10,260	1,009	9,251
Supplies	17,700	15,958	1,742
Equipment	19,229	5,213	14,016
Contractual	7,752	6,365	1,387
Other expenses	60,755	68,437	(7,682)
Direct client benefits	56,136	55,997	139
Total expenses	<u>401,609</u>	<u>394,717</u>	<u>6,892</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Emergency Solutions Grant

Schedule of Revenues and Expenditures (Budget to Actual Non-GAAP)

For the Period October 1, 2019 Through September 30, 2020

	Grant No. 450190335		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Grant revenues	\$ 186,197	\$ 111,837	\$ (74,360)
Total revenues	<u>186,197</u>	<u>111,837</u>	<u>(74,360)</u>
Expenditures:			
Salaries	46,488	47,001	(513)
Fringe benefits	14,643	7,332	7,311
Professional fees	500	-	500
Travel	500	123	377
Printing supplies	1,000	-	1,000
Other expenses	123,066	58,462	64,604
Total expenses	<u>186,197</u>	<u>112,918</u>	<u>73,279</u>
Excess of over revenue expenditures	<u>\$ -</u>	<u>\$ (1,081)</u>	<u>\$ (1,081)</u>

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
TEFAP – Commodities Distribution Administrative Funds
Schedule of Revenues and Expenditures – Non-GAAP
For the Period October 1, 2019 Through September 30, 2020

	Subgrant 4600041107		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Grant revenues	\$ 50,084	\$ 31,931	\$ (18,153)
Total revenues	<u>50,084</u>	<u>31,931</u>	<u>(18,153)</u>
Expenditures:			
Salaries	10,000	10,933	(933)
Fringe benefits	3,625	1,288	2,337
Rent	5,228	2,652	2,576
Printing	1,500	-	1,500
Supplies	6,700	12,194	(5,494)
Other	23,031	12,172	10,859
Total expenses	<u>50,084</u>	<u>39,239</u>	<u>10,845</u>
Excess of over revenue expenditures	<u>\$ -</u>	<u>\$ (7,308)</u>	<u>\$ (7,308)</u>
Value of commodities distributed		<u>\$ 481,496</u>	
Units of service:			
Number of cases		6,080	
Number of bonus cases		11,402	
Number of households served		7,058	

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Child and Adult Care Food Program

Units of Service Provided

April 1, 2020 Through March 31, 2021

	Arkansas		
	<u>Breakfast</u>	<u>Lunch</u>	<u>Snacks</u>
April	451	451	-
May	113	113	-
June	-	-	-
July	140	130	129
August	424	614	704
September	-	-	-
October	1,913	2,638	3,623
November	1,644	2,362	3,033
December	1,256	1,852	2,424
January	1,360	1,860	2,353
February	1,209	1,685	2,355
March	2,713	3,743	5,122
	<u>11,223</u>	<u>15,448</u>	<u>19,743</u>

	Louisiana		
	<u>Breakfast</u>	<u>Lunch</u>	<u>Snacks</u>
April	-	-	-
May	-	-	-
June	-	-	-
July	-	-	-
August	-	-	-
September	228	228	219
October	345	330	317
November	270	270	266
December	231	227	220
January	181	267	289
February	100	99	94
March	537	520	485
	<u>1,892</u>	<u>1,941</u>	<u>1,890</u>

**OTHER
REQUIRED
REPORTS**



Welch, Couch & Company, PA Certified Public Accountants

John Ed Welch, CPA | William T. Couch, Jr., CPA
Jeff D. Welch, CPA, JD | Rachel M. Pennywitt, CPA

Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Community Action Program for Central Arkansas, Inc.
Conway, Arkansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Action Program for Central Arkansas, Inc. (CAPCA) (a nonprofit organization), which comprise the statement of financial position as of March 31, 2021, and the related statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 28, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CAPCA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CAPCA's internal control. Accordingly, we do not express an opinion on the effectiveness of CAPCA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CAPCA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

Batesville: PO Box 2094 | Batesville, AR 72503 | P: 870.793.5231 | F: 870.793.7788
Salem: PO Box 647 | Salem, AR 72576 | P: 870.895.3212 | F: 870.895.2998
West Plains: 1386 Bill Viridon Blvd. | West Plains, MO 65775 | P: 417.256.6624 | F: 417.256.1171

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Welch, Couch & Company, PA
Certified Public Accountants

Batesville, Arkansas
July 28, 2021



Welch, Couch & Company, PA Certified Public Accountants

John Ed Welch, CPA | William T. Couch, Jr., CPA
Jeff D. Welch, CPA, JD | Rachel M. Pennywitt, CPA

Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Community Action Program for Central Arkansas, Inc.
Conway, Arkansas

Report on Compliance for Each Major Federal Program

We have audited Community Action Program for Central Arkansas, Inc.'s (CAPCA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CAPCA's major federal programs for the year ended March 31, 2021. CAPCA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of CAPCA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CAPCA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CAPCA's compliance.

Opinion on Each Major Federal Program

In our opinion, CAPCA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2021.

Report on Internal Control Over Compliance

Management of CAPCA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CAPCA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CAPCA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Welch, Couch & Company, PA
Certified Public Accountants

Batesville, Arkansas
July 28, 2021

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.
Schedule of Findings and Questioned Cost
For the Year Ended March 31, 2021

Section I – Summary of Audit Results

Financial Statements

Type of Auditor's Report:	Unmodified
Internal Control Over Financial Reporting:	
Material Weakness Identified	No
Significant Deficiencies Identified that are not considered to be Material Weaknesses	No
Non-Compliance material to Financial Statements noted:	None Reported

Federal Awards

Internal Control Over Major Programs:	
Material Weakness Identified	No
Significant Deficiencies Identified that are not considered to be Material Weaknesses	No
Type of Auditor's Report issued on Compliance for Major Programs:	Unmodified
Findings required to be reported in accordance with 2CFR Section 200.516(a):	None Reported
Identification of Major Programs:	

CFDA Number

93.568	Low-Income Home Energy Assistance
93.600	Head Start

Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	\$750,000
Auditee Qualified as Low Risk Auditee:	Yes

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Schedule of Findings and Questioned Cost (Cont.)

For the Year Ended March 31, 2021

Section II – Financial Statement Findings

Significant Deficiencies

No matters reported

Material Weaknesses

No matters reported

Section III – Federal Award Findings and Questioned Costs

Significant Deficiencies

No matters reported

Material Weaknesses

No matters reported

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Prior Year Schedule of Findings and Questioned Costs

For the Year Ended March 31, 2020

Section I – Summary of Audit Results

Financial Statements

Type of Auditor's Report:	Unmodified
Internal Control Over Financial Reporting:	
Material Weakness Identified	No
Significant Deficiencies Identified that are not considered to be Material Weaknesses	No
Non-Compliance material to Financial Statements noted:	None Reported

Federal Awards

Internal Control Over Major Programs:	
Material Weakness Identified	No
Significant Deficiencies Identified that are not considered to be Material Weaknesses	No
Type of Auditor's Report issued on Compliance for Major Programs:	Unmodified
Findings required to be reported in accordance with 2CFR Section 200.516(a):	No
Identification of Major Programs:	

CFDA Number

93.568	Low-Income Home Energy Assistance
93.600	Head Start

Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	\$750,000
Auditee Qualified as Low Risk Auditee:	No

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Prior Year Schedule of Findings and Questioned Costs

For the Year Ended March 31, 2020

Section II – Financial Statement Findings

Significant Deficiencies

No matters reported

Material Weaknesses

No matters reported

Section III – Federal Award Findings and Questioned Costs

Significant Deficiencies

No matters reported

Material Weaknesses

No matters reported

COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS, INC.

Supplemental Data Sheet

Year Ended March 31, 2021

- | | |
|-------------------------------|---|
| 1) Entity's Full Name: | Community Action Program for Central Arkansas, Inc. |
| 2) Entity's Address: | 707 Robins Street, Suite 118
Conway, AR 72034 |
| 3) Entity's FEIN: | 71-0393919 |
| 4) Entity's Telephone Number: | (501) 329-3891 |
| 5) Name of Director: | Jennifer Welter, Executive Director |
| 6) Name of Contact Person: | Elizabeth Dunlap, Fiscal Officer |

Community Action Program for Central Arkansas

Funding Request

June 28, 2021

Student Market

Food	\$ 37,500.00
Hygiene Items	\$ 10,000.00
Household Products	\$ 10,000.00
Personnel	\$ 27,040.00
Fringe Benefits	\$ 6,014.00
Program Supplies	\$ 7,500.00
	<u>\$ 98,054.00</u>

Suite 120

Rent	\$ 18,000.00
Utilities	\$ 10,800.00
Phone/Internet	\$ 2,200.00
	<u>\$ 31,000.00</u>

Emergency Services

Care Kits	\$ 10,000.00
Rental Assistance	\$ 10,000.00
Hotel Stays	\$ 5,000.00
Utility Assistance	\$ 5,000.00
	<u>\$ 30,000.00</u>

Overnight Emergency Shelter

Personnel	\$ 62,400.00
Fringe Benefits	\$ 13,878.00
Utilities	\$ 36,000.00
Phone/Internet	\$ 12,000.00
Food	\$ 72,000.00
Supplies	\$ 50,000.00
Repairs/Maintenance	\$ 10,000.00
	<u>\$ 256,278.00</u>

Head Start

Supplies	\$ 15,000.00
Repairs/Maintenance	\$ 5,000.00
	<u>\$ 20,000.00</u>

Total Request for funding **\$ 415,332.00**



**MEMORANDUM OF UNDERSTANDING WITH
UNITED WAY OF CENTRAL ARKANSAS, INC.**

Agency Name: Community Action Program of Central Arkansas - Emergency Shelter

Authorized Agency Representative/Title: Jennifer Welter, Executive Director _____

This Memorandum of Understanding (hereinafter "MOU") is entered into by and between the United Way of Central Arkansas, Inc. (hereinafter "UW") and **Community Action Program of Central Arkansas** (hereinafter "Agency"), and is intended to represent the full and complete understanding of the parties' rights and obligations.

WHEREAS, UW and the Agency believe that the participation of representative citizens in community-wide planning, allocations, communications and fundraising for local agencies is essential; and

WHEREAS, UW and the Agency believe that a collaborative fundraising approach is the most effective way to meet the financial needs of agencies; and

WHEREAS, UW and the Agency acknowledge and believe that the total needs of the community in the establishment, continued maintenance, and improvement of effective and necessary human services forms the basis for this working relationship.

IT IS THEREFORE UNDERSTOOD AND AGREED AS FOLLOWS:

Section 1. Mutual Obligations. UW and the Agency agree that, consistent with the principles and obligations placed upon each in its respective capacities as tax-exempt organizations as defined by Section 501(c)(3) of the Internal Revenue Code, certain obligations under this MOU shall apply to UW and the Agency, to wit:

- (A) Both UW and the Agency shall maintain an active and evolving Board of Directors, comprised of local volunteers, and said Board of Directors shall provide sound management of and fiduciary responsibility for each organization, consistent with the bylaws, operating agreement or other procedures imposed by that organization.
- (B) Both UW and the Agency agree to provide needed social services in a non-discriminatory fashion to the general public which UW serves.
- (C) Both UW and the Agency agree to engage the public in reasonable efforts to increase its awareness, understanding and appreciation of, as well as participation in, social services programs.
- (D) Both UW and the Agency shall work in concert on matters of common interest to best serve the general public.

Section 2. Agency Obligations. The Agency, as reasonable consideration given to UW under this MOU, hereby agrees as follows:

- (A) Fundraising. The Agency shall support and assist the UW's annual fundraising campaign in reasonable and appropriate ways, which may from time to time include specific, reasonable

- requests made by the Agency by UW. The Agency also agrees to conduct an on-site employee campaign on behalf of UWCA that encourages employees, board members and volunteers to contribute to UWCA (agency UWCA campaigns are generally held during the months of August, September, October and November). The Agency shall not conduct fundraising campaigns at businesses that operate in Faulkner, Van Buren or Perry Counties, and further, the Agency shall not be a direct beneficiary of an employee payroll deduction program from any employer. If the Agency fails to adhere to this provision then UW reserves the right to withhold funding from the Agency temporarily or permanently in its sole and exclusive discretion.
- (B) Public Relations. The Agency shall engage in public relations endeavors in which the objectives, services and accomplishments of the Agency, and UW's support thereof, are publicized in a manner that is visible and effective. Such public relations obligations shall include, but not necessarily be limited to:
- 1) Follow requirements of the UWCA Co-Branding Policies
 - 2) Provide individuals to speak on behalf of UWCA and UWCA partner agencies at corporate and government campaign events
 - 3) Provide Agency personnel to attend/support UWCA events, such as Stuff the Bus, Jeans & Bling, etc.
 - 4) Include the current United Way/Live United logo on the following:
 - Webpage with a link to UWCA homepage
 - Annual report
 - Newsletters/E-Newsletters
 - Letterhead
 - Brochures, etc.
 - Fundraising materials, placing UW's logo or registered marks on the Agency's premises, publications, letterhead, social media, websites, etc.
 - 5) Include "Partner Agency of United Way of Central Arkansas" in every press release.
 - 6) Highlight partnership with UWCA in every interview with the media.
 - 7) Post the UWCA Partner Agency window cling in a highly visible position at entrances of all agency sites.
 - 8) Recognize the United Way of Central Arkansas at all public functions--introduce UWCA personnel when in attendance
 - 9) Provide agency representatives to speak on behalf of UWCA, especially during the campaign
- (C) Accounting & Finance. The Agency shall (i) submit its proposed request of UW-allocated funds each year in a timely and organized fashion; (ii) cooperate with the UW Community Impact Committee and respect its review procedures; (iii) prepare and adopt a balanced budget based upon funds available from UW and other sources; (iv) provide semiannual (every six months) financial reports that are sufficiently detailed as to revenues, expenses, budget tracking and general financial performance; (v) maintain accurate and complete records concerning finances and Agency-coordinated social programs, which should be provided to UW no less often than quarterly; (vi) use generally accepted accounting principles and appropriate record-keeping procedures; and (vii) conduct its operations in accordance with its approved budget.
- (D) Audits. The Agency understands that regular audits demonstrating the Agency's relative fiscal health and viability are essential for UW to make proper funding allocations, and therefore agrees that it shall obtain an annual or biannual audit conducted by an independent certified public accountant whose examination complies with generally accepted auditing standards and Generally Accepted Accounting Principles (GAAP).
- (E) Professional and Ethical Standards. The Agency agrees to carry out its programs in a manner that will best meet the needs of the public that it serves, and that it will observe and respect all professional and ethical standards within the non-profit sector. The Agency agrees that its Executive Director will attend Partner Agencies meetings and executive director, agency staff

- and/or volunteers attend professional development opportunities throughout the year. The Agency agrees that it will cooperate with other agencies and coordinate services in a manner that is efficient and non-cumulative and provide UW with special funding requests that may require UW support as soon as practicable should such requests arise. The Agency covenants and acknowledges that UW may, at its sole unfettered discretion, withhold or eliminate funding if the Agency or any of its principals, officers, employees or directors are found to be in violation of any professional or ethical standards or criminal laws.
- (F) Reserve. The Agency agrees that it shall maintain an operational reserve, at its discretion but not to exceed one-fourth (1/4) of the Agency's annual budget, unless UW's Board of Directors approves a prior written request from the Agency to maintain a reserve of a different size or amount.
- (G) Confidential Information. The Agency understands and respects that UW serves and supports multiple agencies within its defined geographic territory, and that all agencies maintain sensitive and proprietary information specific to each agency. The Agency further recognizes that UW retains sole, unfettered discretion with regards to UW's decisions concerning funding and support of these agencies, and that UW acts in a fiduciary capacity with regards to the agencies it supports and protects the confidential information of the agencies it supports. Therefore, the Agency expressly acknowledges and agrees that it shall not request or obtain from UW any such confidential information about other agencies, and that any such request or attempt to obtain information may be viewed as the Agency breaching its obligations under this MOU. The Agency also acknowledges that because UW allocations of funding are based on the Agency's performance, the Agency shall permit UW to have access to all Agency records, reports and documents, upon reasonable notice given by UW to the Agency, for UW to evaluate the Agency's compliance with these performance standards.
- (H) Use of UW Funding. The Agency must use UW-provided funding in the nature outlined in the Agency's application for program funding, and any alterations of this application must be submitted for approval to UW's Community Impact Committee and further approved by the UW Board of Directors before any changes shall be effective. The Agency agrees that if it fails to use all or a portion of funds allocated by UW, that it shall return any unused funds within a reasonable time.
- (I) Current Records. The Agency agrees to provide current information to UW at all times, including but not limited to a list of current Agency board of directors members and officers; a copy of the Agency's most recent annual report; a copy of the Agency's most recent IRS Form 990 (or pro forma); a copy of the Agency's most recent audit, review or compiled financial statements; a copy of the Agency's bylaws and Articles of Incorporation, or any recent amendments thereto; a copy of the Internal Revenue Service's letter confirming the Agency's status as a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code.

Section 3. United Way Obligations. UW, as reasonable consideration given to the Agency under this MOU, hereby agrees as follows:

- (A) Agency Discretion. UW acknowledges and agrees that the Agency is most effective in determining its own policies and programs for the public that it serves, and therefore agrees to respect the Agency's prerogative of determining such policies and programs.
- (B) Best Practices. UW shall develop its recommendations for annual fundraising campaigns with due respect to the needs and requirements of all participating agencies, taking into account economic conditions and other pertinent considerations, in order to raise maximum funds for the benefit of all agencies. UW shall use its best and most reasonable efforts to reach campaign objectives, be a responsible steward of funds raised by fully informing contributors of allocation and usage of

funds. UW further agrees to submit UW's financial records for a regular audit by an independent public accountant.

- (C) Agency Relationship. UW covenants and agrees that to fully realize the mutual benefits of its relationship with the Agency, it shall provide comprehensive volunteer reviews for the Agency, notify the Agency of any funding decisions in an expedient and appropriate manner, and respect the confidentiality of all agencies by not disclosing any sensitive, proprietary information of one agency to another agency. UW shall perform its due diligence in considering and assessing the Agency's requests for funding, which may include but not necessarily be limited to Agency site visits or interviews of Agency representatives by UW board members, staff or volunteers.
- (D) Issuance of Grant Checks. UW will issue monthly investment grant funding checks on the 15th of each month from July 15th, 2019 to June 15th 2020. If the due date falls on a weekend, reports will be due the first Monday following such weekend. All reports shall be submitted in a timely fashion without additional reminders to the Agency. In the event of non-compliance by the Agency, UW reserves the right to suspend the allocations of such grants until the Agency satisfies its compliance requirements. If the Agency fails to reach such compliance for a period exceeding one (1) month, then UW's Community Impact Committee may vote to suspend allocations for a longer period of time. UW may, at its sole unfettered discretion, hold suspended funds in UW's general account and either pay such funds to the Agency or reallocate those funds to a similar program if the Community Impact Committee determines that an undue hardship will be placed on clients if funds are completely withheld.

Section 5. Agency failure to adhere to this provision. If the Agency fails to adhere to any of the provisions in this agreement, then UW reserves the right to withhold funding from the Agency temporarily or permanently in its sole and exclusive discretion.

Section 6. Governing Law. This MOU shall be construed as a legal contract between UW and the Agency and shall be enforced and interpreted in all respects under the laws of the State of Arkansas. Should a dispute arise between UW and the Agency, the parties agree that the Faulkner County Circuit Court shall be the chosen forum for any litigation, and the prevailing party in such proceedings shall be entitled to recover a reasonable attorney's fee and costs.

Section 7. Termination and Appeal. This MOU shall be considered ongoing in the absence of a subsequent signed MOU and may be revoked by either party giving notice to the other at least ninety (90) days prior to the proposed date of termination. In the event UW terminates this MOU with the Agency as set forth herein, the Agency shall have the right to appeal this termination before the UW Board of Directors by making a formal written request to the UW Board of Directors, c/o UW Executive Director, within ten (10) days after the notice of termination has been received. The UW Board of Directors appeal hearing shall be scheduled at a time that is mutually convenient for the board members, but in any event within thirty (30) days upon receipt of the appeal request.

AGENCY:

UNITED WAY OF CENTRAL ARKANSAS, INC.



CEO or Executive Director



Jennifer Boyett, UWCA Executive Director

DATE: May 25, _____, 20 21

DATE: 6 2, 20 21

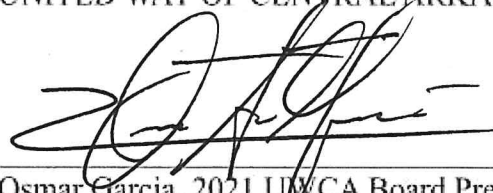
AGENCY:

UNITED WAY OF CENTRAL ARKANSAS, INC.

Kimberly Ashley-pauley
Kimberly Ashley-pauley (May 25, 2021, 15:03 CDT)

2021 Board President

DATE: May 25, 2021, 2021



Osmar Garcia, 2021 U/W CA Board President

DATE: 6-2, 2021






2021 MOU CAPCA Emergency Food.docx

Final Audit Report

2021-05-25

Created:	2021-05-25
By:	Jennifer Welter (jennifer.welter@capcainc.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAAdtyjNykUETgWF31wO7QGo_fLZ90pMFs_

"2021 MOU CAPCA Emergency Food.docx" History

-  Document created by Jennifer Welter (jennifer.welter@capcainc.org)
2021-05-25 - 3:45:29 PM GMT - IP address: 199.59.101.18
-  Document emailed to Kimberly Ashley-pauley (kashley@uca.edu) for signature
2021-05-25 - 3:46:04 PM GMT
-  Email viewed by Kimberly Ashley-pauley (kashley@uca.edu)
2021-05-25 - 8:02:58 PM GMT - IP address: 66.249.80.189
-  Document e-signed by Kimberly Ashley-pauley (kashley@uca.edu)
Signature Date: 2021-05-25 - 8:03:13 PM GMT - Time Source: server- IP address: 161.31.62.163
-  Agreement completed.
2021-05-25 - 8:03:13 PM GMT



ARKANSAS DEPARTMENT OF HUMAN SERVICES
AMENDMENT TO SUB-GRANT AGREEMENT

SUB-GRANT #:

AMENDMENT #:

1. AGREEMENT PARTIES:

Table with 4 columns: AGENCY NUMBER & NAME, TRACKING # 1, TRACKING # 2, and an empty column. Rows include Vendor Name and Agency Number & Name (0710-DHS).

2. NEW SUB-GRANT EXPIRATION DATE:

mm/dd/yyyy (Leave blank if not extending)

Sub-Grant Type

3. PURPOSE OF AMENDMENT:

4. AMENDED DOLLAR AMOUNT:

Table with 4 columns: FUNDING AMOUNT, PREVIOUS, THIS AMENDMENT, NEW TOTAL

% FEDERAL FUNDS

% STATE FUNDS

% OTHER FUNDS

5. NEW AND/OR REVISED ATTACHMENTS:

EXCEPT AS SPECIFICALLY AMENDED HEREIN (OR AS ATTACHED) ALL OTHER TERMS AND CONDITIONS OF THE ABOVE REFERENCED SUB-GRANT AGREEMENT REMAIN UNCHANGED.

6. SIGNATURES:

Signature of Recipient Agency Authorized Representative

Date

Title

Printed Name of Recipient Agency Representative

Signature of DHS Program Agency Director

Date

Title



Recipient Information

1. Recipient Name

Community Action Program For Central Arkansas
707 Robins St Ste 118
Conway, AR 72034-6517
50132738912125

2. Congressional District of Recipient

02

3. Payment System Identifier (ID)

1710393919A1

4. Employer Identification Number (EIN)

710393919

5. Data Universal Numbering System (DUNS)

164572000

6. Recipient's Unique Entity Identifier

7. Project Director or Principal Investigator

Mrs. Sandy Aguirre
sandy.aguirre@capcainc.org
5013290977

8. Authorized Official

Ms. Kim Ashley Pauley
kashley@uca.edu
(501) 329-0977 x2104

Federal Agency Information

ACF/OHS Region VI Grants Office

9. Awarding Agency Contact Information

Ms. Jennifer M Curtiss
Grants Management Officer
jennifer.curtiss@acf.hhs.gov
816-426-2991

10. Program Official Contact Information

Mr. Kenneth Gilbert
Regional Program Manager
HHS/ACF/OHS Region VI
kenneth.gilbert@acf.hhs.gov
214-767-8844

Federal Award Information

11. Award Number

06CH010825-04-00

12. Unique Federal Award Identification Number (FAIN)

06CH010825

13. Statutory Authority

42 USC 9801 ET SEQ

14. Federal Award Project Title

Head Start and Early Head Start

15. Assistance Listing Number

93.600

16. Assistance Listing Program Title

Head Start

17. Award Action Type

Non-Competing Continuation

18. Is the Award R&D?

No

Summary Federal Award Financial Information

19. Budget Period Start Date	02/01/2022	- End Date	01/31/2023
20. Total Amount of Federal Funds Obligated by this Action			\$807,410.00
20a. Direct Cost Amount			\$807,410.00
20b. Indirect Cost Amount			\$0.00
21. Authorized Carryover			\$0.00
22. Offset			\$0.00
23. Total Amount of Federal Funds Obligated this budget period			\$0.00
24. Total Approved Cost Sharing or Matching, where applicable			\$201,853.00
25. Total Federal and Non-Federal Approved this Budget Period			\$1,009,263.00
26. Project Period Start Date	02/01/2019	- End Date	01/31/2024
27. Total Amount of the Federal Award including Approved Cost Sharing or Matching this Project Period			Not Available

28. Authorized Treatment of Program Income

Additional Costs

29. Grants Management Officer - Signature

Ms. Jennifer M Curtiss
Grants Management Officer

30. Remarks



Recipient Information
Recipient Name Community Action Program For Central Arkansas 707 Robins St Ste 118 Conway, AR 72034-6517 50132738912125
Congressional District of Recipient 02
Payment Account Number and Type 1710393919A1
Employer Identification Number (EIN) 710393919
Data Universal Numbering System (DUNS) 164572000
Recipient's Unique Entity Identifier
31. Assistance Type Project Grant
32. Type of Award Service

33. Approved Budget (Excludes Direct Assistance)	
I. Financial Assistance from the Federal Awarding Agency Only	
II. Total project costs including grant funds and all other financial participation	
a. Salaries and Wages	\$555,188.00
b. Fringe Benefits	\$112,148.00
c. Total Personnel Costs	\$667,336.00
d. Equipment	\$0.00
e. Supplies	\$13,348.00
f. Travel	\$2,299.00
g. Construction	\$0.00
h. Other	\$100,315.00
i. Contractual	\$24,112.00
j. TOTAL DIRECT COSTS	\$807,410.00
k. INDIRECT COSTS	\$0.00
l. TOTAL APPROVED BUDGET	\$807,410.00
m. Federal Share	\$807,410.00
n. Non-Federal Share	\$201,853.00

34. Accounting Classification Codes						
FY-ACCOUNT NO.	DOCUMENT NO.	ADMINISTRATIVE CODE	OBJECT CLASS	AMT ACTION FINANCIAL ASSISTANCE	APPROPRIATION	
2-G064122	06CH01082504	ACFOHS	41.51	\$794,350.00	75-22-1536	
2-G064120	06CH01082504	ACFOHS	41.51	\$5,535.00	75-22-1536	
2-G064121	06CH01082504	ACFOHS	41.51	\$7,525.00	75-22-1536	



35. Terms And Conditions

STANDARD TERMS

1. Paid by DHHS Payment Management System (PMS), see attached for payment information. This award is subject to the requirements of the HHS Grants Policy Statement (HHS GPS) that are applicable to you based on your recipient type and the purpose of this award.

This includes requirements in Parts I and II (available at <http://www.hhs.gov/grants/grants/policies-regulations/index.html>) of the HHS GPS. Although consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR Part 75, directly apply to this award apart from any coverage in the HHS GPS. This award is subject to requirements or limitations in any applicable Appropriations Act. This award is subject to the requirements of Section 106 (g) of the trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104). For the full text of the award term, go to <http://www.acf.hhs.gov/discretionary-post-award-requirements>

This award is subject to the Federal Financial Accountability and Transparency Act (FFATA or Transparency) of 2006 subaward and executive compensation reporting requirements. For the full text of the award term, go to <http://www.acf.hhs.gov/discretionary-post-award-requirements>. This award is subject to requirements as set forth in 2 CFR 25.110 Central Contractor Registration (CCR) and DATA Universal Number System (DUNS). For full text go to <http://www.acf.hhs.gov/discretionary-post-award-requirements>

Consistent with 45 CFR 75.113, applicants and recipients must disclose in a timely manner, in writing to the HHS awarding agency, with a copy to the HHS Office of Inspector General (OIG), all information related to violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Subrecipients must disclose, in a timely manner, in writing to the prime recipient (pass through entity) and the HHS OIG, all information related to violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Disclosures must be sent in writing to the awarding agency and to the HHS OIG at the following addresses:
The Administration for Children and Families U.S. Department of Health and Human Services Office of Grants Management ATTN: Grants Management Specialist 330 C Street, SW., Switzer Building Corridor 3200 Washington, DC 20201 AND
U.S. Department of Health and Human Services Office of Inspector General ATTN: Mandatory Grant Disclosures, Intake Coordinator 330 Independence Avenue, SW, Cohen Building Room 5527 Washington, DC 20201 Fax: (202) 205-0604 (Include "Mandatory Grant Disclosures" in subject line) or Email: MandatoryGranteeDisclosures@oig.hhs.gov
Failure to make required disclosures can result in any of the remedies described in 45 CFR 75.371 Remedies for noncompliance, including suspension or debarment (See 2 CFR parts 180 & 376 and 31 U.S.C. 3321).

This award is subject to the requirements as set forth in 45 CFR Part 87. This award is subject to HHS regulations codified at 45 CFR Chapter XIII, Parts 1301, 1302, 1303, 1304 and 1305. Attached are terms and conditions, reporting requirements, and payment instructions. Initial expenditure of funds by the grantee constitutes acceptance of this award.

Recipients must act in compliance with the requirements of this grant and applicable Federal statutes, regulations, and policies as included in the Compendium of Program Instructions and Information Memoranda.

AWARD ATTACHMENTS

Community Action Program For Central Arkansas

06CH010825-04-00

1. Remarks

30. REMARKS (Continued from previous page)

This action awards partial funds for the 02/01/2022-01/31/2023 budget period.

The projected annual funding levels based on the application submitted for this period are \$888,681 for Head Start operations; \$700,017 for Early Head Start operations; \$11,070 for Head Start training and technical assistance; and \$15,049 for Early Head Start training and technical assistance. Subject to availability of a Fiscal Year 2022 appropriation, the balance of funds will be awarded at a later date.

Head Start population: 137 children.

Designated Head Start service area(s): Arkansas County (Stuttgart), Lincoln County (Gould), and Lonoke County (Lonoke, Ward, England) in Arkansas.

Approved program option(s) for the Head Start program: Center-based.

Early Head Start population: 52 infants, toddlers, and pregnant women.

Designated Early Head Start service area(s): Arkansas County (Stuttgart), Lincoln County (Gould), and Lonoke County (Lonoke, Ward, England) in Arkansas.

Approved program option(s) for the Early Head Start program: Center-based.

This grant is subject to the requirements included in Attachment 1.

Semi-annual Federal Financial Reports (SF425) are due in PMS by 10/30/2022 and 4/30/2023. An Annual Federal Financial Report is due 4/30/2023. Real Property Status Report (SF429) Cover Page and Attachment A (for each property with federal interest) or Attachment A-No Property, is due in OLDC by 4/30/2023.

Attachment 1

Award Number: 06CH010825/04

Recipient Organization: COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS

This grant is subject to Section 640(b) of the Head Start Act and 45 C.F.R. § 1303.4 requiring a non-federal match of 20 percent of the total cost of the program. This grant is also subject to the requirements in Section 644(b) of the Head Start Act and 45 C.F.R. § 1303.5 limiting development and administrative costs to a maximum of 15 percent of the total costs of the program, including the non-federal match contribution of such costs. The requirements for a non-federal match of 20 percent and the limitation of 15 percent for development and administrative costs apply to the 02/01/2022-01/31/2023 budget period unless a waiver is approved. Any request for a waiver of the non-federal match, or a portion thereof, that meets the conditions under Section 640(b)(1)-(5) of the Head Start Act and 45 C.F.R. § 1303.4 or a waiver of the limitation on development and administrative costs that meets the conditions under 45 C.F.R. § 1303.5 must be submitted in advance of the end of the budget period. Any waiver request submitted after the expiration of the project period will not be considered.

The HHS Uniform Administrative Requirements (see 45 C.F.R. § 75.308(c)(1)(ii)) provide the authority to ACF to approve key staff of Head Start grantees. For the purposes of this grant, key staff is defined as the Head Start Director or person carrying out the duties of the Head Start Director if not under that title and the Chief Executive Officer, Executive Director and/or Chief Fiscal Officer if any of those positions is funded, either directly or through indirect cost recovery, more than 50 percent with Head Start funds.

Section 653 of the Head Start Act prohibits the use of any federal funds, including Head Start grant funds, to pay any portion of the compensation of an individual employed by a Head Start agency if that individual's compensation exceeds the rate payable for Level II of the Executive Schedule.

Prior written approval must be obtained for the purchase of equipment and other capital expenditures as described in 45 C.F.R. § 75.439(a). Prior written approval must also be obtained under 45 C.F.R. § 75.439(b)(3) and 45 C.F.R. Part 1303 Subpart E - Facilities to use Head Start grant funds for the initial or ongoing purchase, construction and major renovation of facilities. No Head Start grant funds may be used toward the payment of one-time expenses, principal and interest for the acquisition, construction or major renovation of a facility without prior written approval of the Administration for Children and Families.



Recipient Information

1. Recipient Name

Community Action Program For Central Arkansas
707 Robins St Ste 118
Conway, AR 72034-6517
50132738912125

2. Congressional District of Recipient

02

3. Payment System Identifier (ID)

1710393919A1

4. Employer Identification Number (EIN)

710393919

5. Data Universal Numbering System (DUNS)

164572000

6. Recipient's Unique Entity Identifier

7. Project Director or Principal Investigator

Sandy Aguirre
sandy.aguirre@capcainc.org
(501) 329-3891 x2104

8. Authorized Official

Ms. Kimberly Ashley-Pauley
Governing Board Chairman
kashley@uca.edu
(501) 329-0977

Federal Agency Information

ACF/OHS Region VI Grants Office

9. Awarding Agency Contact Information

Ms. Jennifer M Curtiss
Grants Management Officer
jennifer.curtiss@acf.hhs.gov
816-426-2991

10. Program Official Contact Information

Mr. Kenneth Gilbert
Regional Program Manager
HHS/ACF/OHS Region VI
kenneth.gilbert@acf.hhs.gov
214-767-8844

Federal Award Information

11. Award Number

06CH011441-03-00

12. Unique Federal Award Identification Number (FAIN)

06CH011441

13. Statutory Authority

42 USC 9801 ET SEQ

14. Federal Award Project Title

Head Start

15. Assistance Listing Number

93.600

16. Assistance Listing Program Title

Head Start

17. Award Action Type

Non-Competing Continuation

18. Is the Award R&D?

No

Summary Federal Award Financial Information

19. Budget Period Start Date	04/01/2022	- End Date	03/31/2023
20. Total Amount of Federal Funds Obligated by this Action			\$1,134,446.00
20a. Direct Cost Amount			\$1,134,446.00
20b. Indirect Cost Amount			\$0.00
21. Authorized Carryover			\$0.00
22. Offset			\$0.00
23. Total Amount of Federal Funds Obligated this budget period			\$0.00
24. Total Approved Cost Sharing or Matching, where applicable			\$283,612.00
25. Total Federal and Non-Federal Approved this Budget Period			\$1,418,058.00
26. Project Period Start Date	04/01/2020	- End Date	03/31/2025
27. Total Amount of the Federal Award including Approved Cost Sharing or Matching this Project Period			Not Available

28. Authorized Treatment of Program Income

ADDITIONAL COSTS

29. Grants Management Officer - Signature

Ms. Jennifer M Curtiss
Grants Management Officer

30. Remarks



<p>Recipient Information</p> <p>Recipient Name Community Action Program For Central Arkansas 707 Robins St Ste 118 Conway, AR 72034-6517 50132738912125</p> <p>Congressional District of Recipient 02</p> <p>Payment Account Number and Type 1710393919A1</p> <p>Employer Identification Number (EIN) 710393919</p> <p>Data Universal Numbering System (DUNS) 164572000</p> <p>Recipient's Unique Entity Identifier</p>
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<p>31. Assistance Type Project Grant</p> <p>32. Type of Award Service</p>

<p>33. Approved Budget (Excludes Direct Assistance)</p>	
<p>I. Financial Assistance from the Federal Awarding Agency Only</p>	
<p>II. Total project costs including grant funds and all other financial participation</p>	
<p>a. Salaries and Wages</p>	\$761,376.00
<p>b. Fringe Benefits</p>	\$153,799.00
<p>c. Total Personnel Costs</p>	\$915,175.00
<p>d. Equipment</p>	\$0.00
<p>e. Supplies</p>	\$24,013.00
<p>f. Travel</p>	\$3,121.00
<p>g. Construction</p>	\$0.00
<p>h. Other</p>	\$155,237.00
<p>i. Contractual</p>	\$36,900.00
<p>j. TOTAL DIRECT COSTS</p>	\$1,134,446.00
<p>k. INDIRECT COSTS</p>	\$0.00
<p>l. TOTAL APPROVED BUDGET</p>	\$1,134,446.00
<p>m. Federal Share</p>	\$1,134,446.00
<p>n. Non-Federal Share</p>	\$283,612.00

34. Accounting Classification Codes

FY-ACCOUNT NO.	DOCUMENT NO.	ADMINISTRATIVE CODE	OBJECT CLASS	AMT ACTION FINANCIAL ASSISTANCE	APPROPRIATION
2-G064122	06CH01144103	ACFOHS	41.51	\$1,119,018.00	75-22-1536
2-G064120	06CH01144103	ACFOHS	41.51	\$15,428.00	75-22-1536



35. Terms And Conditions

STANDARD TERMS

1. Paid by DHHS Payment Management System (PMS), see attached for payment information. This award is subject to the requirements of the HHS Grants Policy Statement (HHS GPS) that are applicable to you based on your recipient type and the purpose of this award.

This includes requirements in Parts I and II (available at <http://www.hhs.gov/grants/grants/policies-regulations/index.html>) of the HHS GPS. Although consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR Part 75, directly apply to this award apart from any coverage in the HHS GPS. This award is subject to requirements or limitations in any applicable Appropriations Act. This award is subject to the requirements of Section 106 (g) of the trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104). For the full text of the award term, go to <http://www.acf.hhs.gov/discretionary-post-award-requirements>

This award is subject to the Federal Financial Accountability and Transparency Act (FFATA or Transparency) of 2006 subaward and executive compensation reporting requirements. For the full text of the award term, go to <http://www.acf.hhs.gov/discretionary-post-award-requirements>. This award is subject to requirements as set forth in 2 CFR 25.110 Central Contractor Registration (CCR) and DATA Universal Number System (DUNS). For full text go to <http://www.acf.hhs.gov/discretionary-post-award-requirements>

Consistent with 45 CFR 75.113, applicants and recipients must disclose in a timely manner, in writing to the HHS awarding agency, with a copy to the HHS Office of Inspector General (OIG), all information related to violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Subrecipients must disclose, in a timely manner, in writing to the prime recipient (pass through entity) and the HHS OIG, all information related to violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Disclosures must be sent in writing to the awarding agency and to the HHS OIG at the following addresses:
The Administration for Children and Families U.S. Department of Health and Human Services Office of Grants Management ATTN: Grants Management Specialist 330 C Street, SW., Switzer Building Corridor 3200 Washington, DC 20201 AND
U.S. Department of Health and Human Services Office of Inspector General ATTN: Mandatory Grant Disclosures, Intake Coordinator 330 Independence Avenue, SW, Cohen Building Room 5527 Washington, DC 20201 Fax: (202) 205-0604 (Include "Mandatory Grant Disclosures" in subject line) or Email: MandatoryGranteeDisclosures@oig.hhs.gov
Failure to make required disclosures can result in any of the remedies described in 45 CFR 75.371 Remedies for noncompliance, including suspension or debarment (See 2 CFR parts 180 & 376 and 31 U.S.C. 3321).

This award is subject to the requirements as set forth in 45 CFR Part 87. This award is subject to HHS regulations codified at 45 CFR Chapter XIII, Parts 1301, 1302, 1303, 1304 and 1305. Attached are terms and conditions, reporting requirements, and payment instructions. Initial expenditure of funds by the grantee constitutes acceptance of this award.

Recipients must act in compliance with the requirements of this grant and applicable Federal statutes, regulations, and policies as included in the Compendium of Program Instructions and Information Memoranda.

AWARD ATTACHMENTS

Community Action Program For Central Arkansas

06CH011441-03-00

1. Remarks

30. REMARKS (Continued from previous page)

This action awards partial funds for the 04/01/2022-03/31/2023 budget period.

The projected annual levels for this period are \$2,238,035 for operations and \$30,855 for training and technical assistance. Subject to availability of a Fiscal Year 2022 appropriation, the balance of funds will be awarded at a later date.

Head Start population: 325 children.

Designated Head Start service area(s): Faulkner, Cleburne, and White Counties in Arkansas.

Approved program option(s) for the Head Start program: Center-based.

This grant is subject to the requirements included in Attachment 1.

Semi-annual Federal Financial Reports (SF425) are due in PMS by 10/30/2022 and 4/30/2023. An Annual Federal Financial Report is due 7/30/2023. Real Property Status Report (SF429) Cover Page and Attachment A (for each property with federal interest) or Attachment A-No Property, is due in OLDC by 4/30/2023.

Attachment 1

Award Number: 06CH011441/03

Recipient Organization: COMMUNITY ACTION PROGRAM FOR CENTRAL ARKANSAS

This grant is subject to Section 640(b) of the Head Start Act and 45 C.F.R. § 1303.4 requiring a non-federal match of 20 percent of the total cost of the program. This grant is also subject to the requirements in Section 644(b) of the Head Start Act and 45 C.F.R. § 1303.5 limiting development and administrative costs to a maximum of 15 percent of the total costs of the program, including the non-federal match contribution of such costs. The requirements for a non-federal match of 20 percent and the limitation of 15 percent for development and administrative costs apply to the 04/01/2022-03/31/2023 budget period unless a waiver is approved. Any request for a waiver of the non-federal match, or a portion thereof, that meets the conditions under Section 640(b)(1)-(5) of the Head Start Act and 45 C.F.R. § 1303.4 or a waiver of the limitation on development and administrative costs that meets the conditions under 45 C.F.R. § 1303.5 must be submitted in advance of the end of the budget period. Any waiver request submitted after the expiration of the project period will not be considered.

The HHS Uniform Administrative Requirements (see 45 C.F.R. § 75.308(c)(1)(ii)) provide the authority to ACF to approve key staff of Head Start grantees. For the purposes of this grant, key staff is defined as the Head Start Director or person carrying out the duties of the Head Start Director if not under that title and the Chief Executive Officer, Executive Director and/or Chief Fiscal Officer if any of those positions is funded, either directly or through indirect cost recovery, more than 50 percent with Head Start funds.

Section 653 of the Head Start Act prohibits the use of any federal funds, including Head Start grant funds, to pay any portion of the compensation of an individual employed by a Head Start agency if that individual's compensation exceeds the rate payable for Level II of the Executive Schedule.

Prior written approval must be obtained for the purchase of equipment and other capital expenditures as described in 45 C.F.R. § 75.439(a). Prior written approval must also be obtained under 45 C.F.R. § 75.439(b)(3) and 45 C.F.R. Part 1303 Subpart E - Facilities to use Head Start grant funds for the initial or ongoing purchase, construction and major renovation of facilities. No Head Start grant funds may be used toward the payment of one-time expenses, principal and interest for the acquisition, construction or major renovation of a facility without prior written approval of the Administration for Children and Families.



Recipient Information

1. Recipient Name

Community Action Program For Central Arkansas
707 Robins St Ste 118
Conway, AR 72034-6517
50132738912125

2. Congressional District of Recipient

02

3. Payment System Identifier (ID)

1710393919A1

4. Employer Identification Number (EIN)

710393919

5. Data Universal Numbering System (DUNS)

164572000

6. Recipient's Unique Entity Identifier

7. Project Director or Principal Investigator

Sandy Aguirre
sandy.aguirre@capcainc.org
(501) 329-3891 x2104

8. Authorized Official

Ms. Kimberly Ashley-Pauley
Governing Board Chairman
kashley@uca.edu
(501) 329-0977

Federal Agency Information

ACF/OHS Central Office of Discretionary Grants

9. Awarding Agency Contact Information

David Kadan
David.Kadan@Acf.Hhs.Gov
2028689764

10. Program Official Contact Information

Ms. Sandra Carton
Branch Manager, MSP
Sandra.Carton@acf.hhs.gov
202-205-8397

Federal Award Information

11. Award Number

90CM009842-03-00

12. Unique Federal Award Identification Number (FAIN)

90CM009842

13. Statutory Authority

42 USC 9801 ET SEQ.

14. Federal Award Project Title

Migrant Head Start

15. Assistance Listing Number

93.600

16. Assistance Listing Program Title

Head Start

17. Award Action Type

Non-Competing Continuation

18. Is the Award R&D?

No

Summary Federal Award Financial Information

19. Budget Period Start Date	02/01/2022	- End Date	01/31/2023
20. Total Amount of Federal Funds Obligated by this Action			\$1,159,820.00
20a. Direct Cost Amount			\$1,159,820.00
20b. Indirect Cost Amount			\$0.00
21. Authorized Carryover			\$0.00
22. Offset			\$0.00
23. Total Amount of Federal Funds Obligated this budget period			\$0.00
24. Total Approved Cost Sharing or Matching, where applicable			\$289,956.00
25. Total Federal and Non-Federal Approved this Budget Period			\$1,449,776.00
26. Project Period Start Date	02/01/2020	- End Date	01/31/2025
27. Total Amount of the Federal Award including Approved Cost Sharing or Matching this Project Period			Not Available

28. Authorized Treatment of Program Income

Additional Costs

29. Grants Management Officer - Signature

David Kadan

30. Remarks



Recipient Information
Recipient Name Community Action Program For Central Arkansas 707 Robins St Ste 118 Conway, AR 72034-6517 50132738912125
Congressional District of Recipient 02
Payment Account Number and Type 1710393919A1
Employer Identification Number (EIN) 710393919
Data Universal Numbering System (DUNS) 164572000
Recipient's Unique Entity Identifier
31. Assistance Type Project Grant
32. Type of Award Service

33. Approved Budget (Excludes Direct Assistance)	
I. Financial Assistance from the Federal Awarding Agency Only	
II. Total project costs including grant funds and all other financial participation	
a. Salaries and Wages	\$746,415.00
b. Fringe Benefits	\$151,224.00
c. Total Personnel Costs	\$897,639.00
d. Equipment	\$0.00
e. Supplies	\$43,950.00
f. Travel	\$6,832.00
g. Construction	\$0.00
h. Other	\$211,399.00
i. Contractual	\$0.00
j. TOTAL DIRECT COSTS	\$1,159,820.00
k. INDIRECT COSTS	\$0.00
l. TOTAL APPROVED BUDGET	\$1,159,820.00
m. Federal Share	\$1,159,820.00
n. Non-Federal Share	\$289,956.00

34. Accounting Classification Codes					
FY-ACCOUNT NO.	DOCUMENT NO.	ADMINISTRATIVE CODE	OBJECT CLASS	AMT ACTION FINANCIAL ASSISTANCE	APPROPRIATION
2-G984122	90CM00984203	ACFOHS	41.51	\$1,143,897.00	75-22-1536
2-G984120	90CM00984203	ACFOHS	41.51	\$15,923.00	75-22-1536



35. Terms And Conditions

STANDARD TERMS

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This includes requirements in Parts I and II (available at <http://www.hhs.gov/grants/grants/policies-regulations/index.html>) of the HHS GPS. Although consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR Part 75, directly apply to this award apart from any coverage in the HHS GPS. This award is subject to requirements or limitations in any applicable Appropriations Act. This award is subject to the requirements of Section 106 (g) of the trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104). For the full text of the award term, go to <http://www.acf.hhs.gov/discretionary-post-award-requirements>

This award is subject to the Federal Financial Accountability and Transparency Act (FFATA or Transparency) of 2006 subaward and executive compensation reporting requirements. For the full text of the award term, go to <http://www.acf.hhs.gov/discretionary-post-award-requirements>. This award is subject to requirements as set forth in 2 CFR 25.110 Central Contractor Registration (CCR) and DATA Universal Number System (DUNS). For full text go to <http://www.acf.hhs.gov/discretionary-post-award-requirements>

Consistent with 45 CFR 75.113, applicants and recipients must disclose in a timely manner, in writing to the HHS awarding agency, with a copy to the HHS Office of Inspector General (OIG), all information related to violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Subrecipients must disclose, in a timely manner, in writing to the prime recipient (pass through entity) and the HHS OIG, all information related to violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Disclosures must be sent in writing to the awarding agency and to the HHS OIG at the following addresses:
The Administration for Children and Families U.S. Department of Health and Human Services Office of Grants Management ATTN: Grants Management Specialist 330 C Street, SW., Switzer Building Corridor 3200 Washington, DC 20201 AND
U.S. Department of Health and Human Services Office of Inspector General ATTN: Mandatory Grant Disclosures, Intake Coordinator 330 Independence Avenue, SW, Cohen Building Room 5527 Washington, DC 20201 Fax: (202) 205-0604 (Include "Mandatory Grant Disclosures" in subject line) or Email: MandatoryGranteeDisclosures@oig.hhs.gov
Failure to make required disclosures can result in any of the remedies described in 45 CFR 75.371 Remedies for noncompliance, including suspension or debarment (See 2 CFR parts 180 & 376 and 31 U.S.C. 3321).

This award is subject to the requirements as set forth in 45 CFR Part 87. This award is subject to HHS regulations codified at 45 CFR Chapter XIII, Parts 1301, 1302, 1303, 1304 and 1305. Attached are terms and conditions, reporting requirements, and payment instructions. Initial expenditure of funds by the grantee constitutes acceptance of this award.

AWARD ATTACHMENTS

Community Action Program For Central Arkansas

90CM009842-03-00

1. Remarks

This action awards partial funding in the amount of \$1,143,897 for Migrant Head Start base services and \$15,923 for Training and Technical Assistance for the 02/01/2022 - 01/31/2023 budget period.

The projected annual levels for this period are \$2,287,794 for base services and \$31,847 for Training and Technical Assistance. Subject to availability of a Fiscal Year 2022 appropriation, the balance of funds will be awarded at a later date.

Migrant Head Start population: 159 (41 Migrant and 118 Seasonal) children

Designated Migrant Head Start service areas:

Arkansas – city of Judsonia in White county and city of Dumas in Desha county

Louisiana – Tangipahoa Parish

Approved program option: Center-based

This grant is subject to the requirements for contribution of the non-federal match and approval of key staff, the limitations on development and administrative costs and employee compensation, and prior written approval for the purchase of equipment and other capital expenditures and the purchase, construction and major renovation of facilities as specified in Attachment 1.

Attachment 1

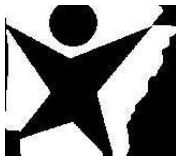
This grant is subject to Section 640(b) of the Head Start Act and 45 C.F.R. § 1303.4 requiring a non-federal match of 20 percent of the total cost of the program. This grant is also subject to the requirements in Section 644(b) of the Head Start Act and 45 C.F.R. § 1303.5 limiting development and administrative costs to a maximum of 15 percent of the total costs of the program, including the non-federal match contribution of such costs. The requirements for a non-federal match of 20 percent and the limitation of 15 percent for development and administrative costs apply to the 2/01/2022 - 1/31/2023 budget period unless a waiver is approved. Any request for a waiver of the non-federal match, or a portion thereof, that meets the conditions under Section 640(b)(1)-(5) of the Head Start Act and 45 C.F.R. § 1303.4 or a waiver of the limitation on development and administrative costs that meets the conditions under 45 C.F.R. § 1303.5 must be submitted in advance of the end of the budget period. Any waiver request submitted after the expiration of the project period will not be considered.

The HHS Uniform Administrative Requirements (see 45 C.F.R. § 75.308(c)(1)(ii)) provide the authority to ACF to approve key staff of Head Start grantees. For the purposes of this grant, key staff is defined as the Head Start Director or person carrying out the duties of the Head Start Director if not under that title and the Chief Executive Officer, Executive Director and/or Chief Fiscal Officer if any of those positions is funded, either directly or through indirect cost recovery, more than 50 percent with Head Start funds.

Section 653 of the Head Start Act prohibits the use of any federal funds, including Head Start grant funds, to pay any portion of the compensation of an individual employed by a Head Start agency if that individual's compensation exceeds the rate payable for Level II of the Executive Schedule. Head Start funds shall not be used to pay the compensation of an individual, either as a direct cost or any proration as an indirect cost, at a rate in excess of Executive Level II compensation which is \$203,700, effective January 2022. Every Head Start grantee and delegate is responsible for assuring its compliance with this provision.

Prior written approval must be obtained for the purchase of equipment and other capital expenditures as described in 45 C.F.R. § 75.439(a). Prior written approval must also be obtained under 45 C.F.R. § 75.439(b)(3) and 45 C.F.R. Part 1303 Subpart E – Facilities to use Head Start grant funds for the initial or ongoing purchase, construction and major renovation of facilities. No Head Start grant funds may be used toward the payment of one-time expenses, principal and interest for the acquisition, construction or major renovation of a facility without prior written approval of the Administration for Children and Families.

ACF requires the use of the SF-428 (Tangible Personal Property Form) and the SF-429 (Real Property Status Report). The reporting frequency for SF-429A is an annual basis due at the end of each fiscal year.



**ARKANSAS DEPARTMENT OF HUMAN SERVICES
AMENDMENT TO SUB-GRANT AGREEMENT**

SUB-GRANT #: 4600047382

AMENDMENT #: 2

1. AGREEMENT PARTIES:

AGENCY NUMBER & NAME	0710-DHS Division of County Operations		
VENDOR NAME	Community Action Program for Central Arkansas dba CAPCA, Inc.		
TRACKING # 1		TRACKING # 2	

2. NEW SUB-GRANT EXPIRATION DATE: September 30, 2022
mm/dd/yyyy (Leave blank if not extending)

Sub-Grant Type Discretionary but exempt: Disaster Relief

3. PURPOSE OF AMENDMENT:

Amend to extend for time only and continue this Emergency Solutions Grant Program subgrant designed to end homelessness by providing Covid-19 financial assistance to eligible non-profit organizations and general units of local government.

4. AMENDED DOLLAR AMOUNT:

	PREVIOUS	THIS AMENDMENT	NEW TOTAL
FUNDING AMOUNT	\$ 1,849,000.00	\$ 0.00	\$ 1,849,000.00

% FEDERAL FUNDS 100.00

% STATE FUNDS

% OTHER FUNDS

5. NEW AND/OR REVISED ATTACHMENTS:

3. Contract and Grant Disclosure

EXCEPT AS SPECIFICALLY AMENDED HEREIN (OR AS ATTACHED) ALL OTHER TERMS AND CONDITIONS OF THE ABOVE REFERENCED SUB-GRANT AGREEMENT REMAIN UNCHANGED.

6. SIGNATURES:

Jennifer Welter

Digitally signed by Jennifer Welter
Date: 2021.07.18 16:03:41 -05'00'

July 18, 2021

Executive Director

Signature of Recipient Agency Authorized Representative

Date

Title

Jennifer Welter

Printed Name of Recipient Agency Representative

Mary Franklin

Digitally signed by Mary Franklin
Date: 2021.07.16 09:41:42 -05'00'

DCO Director

Signature of DHS Program Agency Director

Date

Title

ARKANSAS EMERGENCY SOLUTIONS GRANTS PROGRAM

SUB-RECIPIENT'S STATEMENT OF ASSURANCES AND CERTIFICATIONS

I, Jennifer Welter, as the authorized official and responsible party for Community Action Program for Central Arkansas (“**SUB-RECIPIENT**”), hereby assure and certify to the Arkansas Department of Human Services (“**DHS**”) the following with regards to the award of this Emergency Solutions Grants (ESG) sub-grant and the ESG project being funded:

THRESHOLD CERTIFICATIONS

1. There are no significant unresolved audit findings relating to any prior grant award from the federal and/or state government that would adversely affect **SUB-RECIPIENT**'s capacity to administer this sub-grant.
2. No legal actions are underway or being contemplated that would significantly impact **SUB-RECIPIENT**'s capacity to effectively carry out this ESG project or to fulfil the requirements of this ESG sub-grant; and
3. No project costs have been, nor will be, incurred prior to formal written notification from **DHS** that the project may begin.

FEDERAL COMPLIANCE CERTIFICATIONS

SUB-RECIPIENT will comply with the policies and procedures found in the Arkansas DHS/DCO Office of Community Services Emergency Solutions Grant Policy and Procedures Manual, with applicable items in the current Consolidated Plan, with Title I of the Housing and Community Development Act of 1974, Public Law 93-383, as amended, with 24 CFR Part 576 (including parts not specifically cited below), and with the following laws, regulations and requirements, both federal and state, as they pertain to the implementation and administration of this project:

COMPLIANCE WITH ANTI-DISCRIMINATION LAWS AND PROVISIONS

4. **SUB-RECIPIENT** will implement this ESG project and administer this ESG sub-grant in conformity with:
 - Public Law 88-352, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d), et. seq.) (24 CFR Part 1);
 - Section 109 of the Housing and Community Development Act of 1974, As Amended;
 - Age-Discrimination Act of 1975, As Amended (42 U.S.C. 6101, et. seq.);
 - Section 504 of the Rehabilitation Act of 1973, As Amended (29 U.S.C. 794) and the Americans with Disability Act;
 - Executive Order 11246, As Amended;
 - Executive Order 11063, As Amended by Executive Order 12259 (24 CFR Part 107); and
 - All implementing regulations.

COMPLIANCE WITH ENVIRONMENTAL STANDARDS AND PROVISIONS

5. **SUB-RECIPIENT** will implement this ESG project and administer this ESG sub-grant in conformity with:
 - Section 104(f) of the Housing and Community Development Act of 1974, As Amended

- Title IV of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831) and the Implementing Regulations found at 24 CFR Part 35
- The National Environmental Policy Act of 1969 (42 U.S.C. Section 4321, et. seq., and 24 CFR Part 58)
- The Clean Air Act, As Amended (42 U.S.C. 7401, et. seq.)
- Farmland Protection Policy Act of 1981, (U.S.C. 4201, et. seq.)
- The Endangered Species Act of 1973, As Amended (16 U.S.C. 1531, et. seq.)
- The Reservoir Salvage Act of 1960 (16 U.S.C. 469, et. seq.), Section 3 (16 U.S.C. 469 a-1), As Amended by the Archaeological and Historic Preservation Act of 1974
- The Safe Drinking Water Act of 1974 [42 U.S.C. Section 201, 300(f), et. seq., and U.S.C. Section 349 as Amended, particularly Section 1424(e) (42 U.S.C. Section 300H-303(e))]
- The Federal Water Pollution Control Act of 1972, As Amended, including the Clean Water Act of 1977, Public Law 92-212 (33 U.S.C. Section 1251, et. seq.)
- The Solid Waste Disposal Act, As Amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et. seq.)
- The Fish and Wildlife Coordination Act of 1958, As Amended, (16 U.S.C. Section 661, et. seq.)
- EPA List of Violating Facilities
- HUD Environmental Standards (24 CFR, Part 51, Environmental Criteria and Standards and 44 F.R. 40860-40866, July 12, 1979)
- The Wild and Scenic Rivers Act of 1968, As Amended (16 U.S.C. 1271, et. seq.)
- Flood Insurance
- Executive Order 11988, May 24, 1978: Floodplain Management (42 F.R. 26951, et. seq.)
- Executive Order 11990, May 24, 1977: Protection of Wetlands (42 F.R. 26961, et. seq.)
- Environmental Protection Act, NEB. REV. STAT. 81-1501 to 81-1532 (R.R.S. 1943)
- Historic Preservation

COMPLIANCE WITH LABOR STANDARDS AND PROVISIONS

6. **SUB-RECIPIENT** will implement this ESG project and administer this ESG sub-grant in conformity with:

- Section 110 of the Housing and Community Development Act of 1974, As Amended
- Fair Labor Standards Act of 1938, As Amended, (29 U.S.C. 102, et. seq.)
- Davis-Bacon Act, As Amended (40 U.S.C. 276-a - 276a-5); and Section 2; of the June 13, 1934 Act., As Amended (48 Stat. 948.40 U.S.C. 276(c), popularly known as The Copeland Act
- Contract Work Hours and Safety Standards Act (40 U.S.C. 327, et. seq.)
- Section 3 of the Housing and Urban Development Act of 1968 [12 U.S.C. 1701(u)]

COMPLIANCE WITH FAIR HOUSING STANDARDS AND PROVISIONS

7. **SUB-RECIPIENT** will implement this ESG project and administer this ESG sub-grant in conformity with:

- Section 104(a)(2) of the Housing and Community Development Act of 1974, As Amended Public Law 90-284, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601, et. seq.). As Amended by the Fair Housing Amendments Act of 1988
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, As Amended (42 U.S.C. 4630) and the Implementing Regulations Found at 49 CFR Part 24

COMPLIANCE WITH ADMINISTRATIVE AND FINANCIAL PROVISIONS

8. **SUB-RECIPIENT** will implement this ESG project and administer this ESG sub-grant in conformity with:
- 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards “Cost Principles”, where applicable
 - 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards “Administrative Requirements”, where applicable
 - Arkansas Financial Management Procedures and Arkansas Procurement Laws
 - 24 CFR 570.503 - Grant Administration Requirements for Use of Escrow Accounts for Property Rehabilitation Loans and Grants
 - 24 CFR 570.488 to 570.499a - States Program: State Administration of CDBG Non-entitlement Funds
 - 24 CFR Subtitle A (4-1-98 Edition) – 85 Administrative requirements for grants and cooperative agreements to State, local and federally recognized Indian tribal governments

COMPLIANCE WITH PROGRAMMATIC REQUIREMENTS AND PROVISIONS

9. **SUB-RECIPIENT** will implement this ESG project and administer this ESG sub-grant in conformity with the following programmatic requirements:
- **Major rehabilitation/conversion**
If an emergency shelter’s rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the building will be maintained as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation. If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the building will be maintained as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion. In all other cases where ESG funds are used for renovation, the building will be maintained as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation.
 - **Essential Services and Operating Costs**
If ESG funds are used for shelter operations or essential services related to street outreach or emergency shelter, **SUB-RECIPIENT** will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, so long the

applicant serves the same type of persons (e.g., families with children, unaccompanied youth, veterans, disabled individuals, or victims of domestic violence) or persons in the same geographic area.

- **Renovation**

Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

- **Supportive Services**

SUB-RECIPIENT will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living), and other Federal State, local, and private assistance available for such individuals.

- **Homeless Persons Involvement**

To the maximum extent practicable, **SUB-RECIPIENT** will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted ESG.

- **Consolidated Plan**

All activities **SUB-RECIPIENT** undertakes with assistance under ESG will be consistent with the State's current HUD-approved Consolidated Plan.

- **Lead-Based Paint**

All activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, Subparts A through R.

COMPLIANCE WITH MISCELLANEOUS

10. **SUB-RECIPIENT** will implement this ESG project and administer this ESG sub-grant in conformity with the Hatch Act of 1938, As Amended (5 U.S.C. 1501, et. seq.).

Jennifer Welter

Typed or Printed Name of Authorized Official



Signature of Authorized Official

Executive Director

Title

8/11/2021

Date

ESG21 INITIAL BUDGET FORM

AASIS_ID 600000950
 EIN 71-0393919

NAME_2
 MAILING_ADDRESS 707 Robins St Suite 118
 CITY_ZIP Conway, AR 72034

NAME_TITLE Jennifer Welter, Executive Director

GRANT_ID
 PO

Initial Approved Budget

STREET OUTREACH \$ 11,306.73

EMERGENCY SHELTER

SHELTER OPERATIONS \$ 60,000.00
 ESSENTIAL SERVICES \$ -
 REHAB AND RENOVATION \$ -

RAPID RE-HOUSING

RENTAL ASSISTANCE \$ 64,273.28
 FINANCIAL ASSISTANCE \$ -
 SERVICES \$ -

HOMELESSNESS PREVENTION

RENTAL ASSISTANCE \$ 65,000.00
 FINANCIAL ASSISTANCE \$ -
 SERVICES \$ -

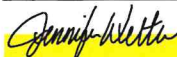
HMIS

ADMIN \$ 378.88

INITIAL AWARD SUB-TOTALS

SO_SUBTOTAL	\$ 11,306.73	← →	\$ 11,306.73
ES_SUBTOTAL	\$ 60,000.00	ALL	\$ 60,000.00
RRH_SUBTOTAL	\$ 64,273.28	FIGURES	\$ 64,273.28
HP_SUBTOTAL	\$ 65,000.00	MUST	\$ 65,000.00
HMIS_SUBTOTAL	\$ -	MATCH!	
ADMIN_SUBTOTAL	\$ 378.88	← →	\$ 378.88
ESG Sub-Grant TOTAL AWARD	\$ 200,958.89		\$ 200,958.89

Jennifer Welter, Executive Director



8/11/2021






ESG Sub-Grant Addendum August 2021- Regular

Final Audit Report

2021-08-11

Created:	2021-08-11
By:	Melissa Allen (melissa.allen@capcainc.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAsGksroZyO2rbqAoxO7P563j8ZT-H0Q8z

"ESG Sub-Grant Addendum August 2021-Regular" History

-  Document created by Melissa Allen (melissa.allen@capcainc.org)
2021-08-11 - 9:53:54 PM GMT- IP address: 199.59.101.18
-  Document emailed to Jennifer Welter (jennifer.welter@capcainc.org) for signature
2021-08-11 - 9:54:33 PM GMT
-  Email viewed by Jennifer Welter (jennifer.welter@capcainc.org)
2021-08-11 - 10:41:34 PM GMT- IP address: 199.59.101.18
-  Document e-signed by Jennifer Welter (jennifer.welter@capcainc.org)
Signature Date: 2021-08-11 - 10:42:06 PM GMT - Time Source: server- IP address: 199.59.101.18
-  Agreement completed.
2021-08-11 - 10:42:06 PM GMT



**ARKANSAS
DEPARTMENT OF
HUMAN
SERVICES**

**Division of County Operations
Office of Community Services**

P.O. Box 1437, Slot S330, Little Rock, AR 72203-1437
P: 501.682.8715 F: 501.682.6736 TDD: 501.682.8820

December 6, 2021

Jennifer Welter, Executive Director
Community Action Program for Central Arkansas, Inc.
707 Robins Street, Ste. 118
Conway, AR 72034

Dear Ms. Welter:

The review of the Community Action Program for Central Arkansas, Inc (CAPCA) FY 2022 Community Services Block Grant Application is complete. The application is accepted as submitted.

The grant is tentatively set at \$ 400,289.00 for the period October 1, 2021– September 30, 2022.

The receipt of the funds is conditional upon the funds received by the State of Arkansas Community Services Block Grant Program from the U.S. Department of Health and Human Services for FY 2022.

Continued success in the coming year in the agency efforts to provide services to move the economically and socially disadvantaged citizens of Arkansas toward self-sufficiency.

If you have questions or concerns, do not hesitate to contact me at 501-682-8720 or by email at Beverly.buchanan@dhs.arkansas.gov.

Best Regards,

Beverly Buchanan
Beverly Buchanan, CCAP, NCRT
CSBG Manager

Cc: Lorie Williams, Assistant Director
Linda Myers, CSBG Grants Analyst
CSBG Files



**ARKANSAS
DEPARTMENT OF
HUMAN
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**Division of County Operations
Office of Community Services**

P.O. Box 1437, Slot S330, Little Rock, AR 72203-1437
P: 501.682.8715 F: 501.682.6736 TDD: 501.682.8820

July 20, 2020

Jennifer Welter, Executive Director
Community Action Program for Central Arkansas, Inc.
707 Robins Street, Ste. 118
Conway, AR 72034

Dear Ms. Welter:

The review of the Community Action Program for Central Arkansas, Inc (CAPCA) FY Community Services Block Grant CARES ACT Application is complete. The application is accepted as submitted.

The partial sub-grant award is set at \$ 272,370.00 for the period ending June 30, 2021. The full two-year sub-grant award is \$ 544,739.00.

The receipt of the funds is conditional upon the funds received by the State of Arkansas Community Services Block Grant Program from the U.S. Department of Health and Human Services.

Thank you for the agency efforts to provide services to prevent the spread of and to respond to the effects of the COVID-19 health pandemic in the CAPCA service area.

If you have questions or concerns, do not hesitate to contact me at 501-682-8720 or by email at Beverly.buchanan@dhs.arkansas.gov.

Best Regards,

Beverly Buchanan
Beverly Buchanan, NCRT
CSBG Manager

Cc: Lorie Williams, Assistant Director
Linda Myers, CSBG Grants Analyst
Felexia Thomas, CSBG Grants Analyst
CSBG Files

ACCOUNTING POLICIES

SECTION 5000.00 GENERAL POLICIES

Introduction

This manual shall document the financial operations of the Organization. Its primary purpose is to formalize accounting and financial policies and selected procedures for all staff who have a role in accounting processes and to document internal controls. Every position that is assigned a task or responsibility in these policies and procedures has a back-up staff person. Back-up staff shall be designated to fulfill a particular position's responsibilities as needed.

If a particular grant or award has provisions that are more restrictive than those in this manual, the more restrictive provisions will be followed only for that grant or award.

Policy 5001.00 Governing Board

BOARD OF DIRECTORS

The Board of Directors of CAPCA is the governing body that has established these personnel policies. The Board of Directors is responsible for the selection and evaluation of the Executive Director. The Executive Director is delegated the authority to select, evaluate, discipline and terminate staff, as appropriate. Accordingly, any direction provided to staff shall be by the action of the Board Chairman and only to the Executive Director. The Board does not enter into the day-to-day operation of the program, but delegated those responsibilities to the Executive Director.

There are 15 members on the Board, selected from our service areas. Members are selected from Public Officials, the private sector and representatives of the low-income.

CAPCA is governed by its Governing Board, which is responsible for, but not limited to:

- Ensuring compliance with Federal, State and local laws and regulations.
- Approving policies organization, fiscal and program policies annually or as updates occur.
- Approving the agency's mission statement every five years or as updates occur
- Being fiscally and legally responsible for the agency, including general responsibility for guiding and directing planning, general procedures, and human resource management.
- Ensuring that the agency develops internal control structures to safeguard funds, comply with laws and regulations that have an impact on financial statements, detect or prevent noncompliance, receive audit reports and direct/monitor staff for implementation of corrective action.
- Hire, evaluate, terminate and set compensation of the Executive Director, and approve policies and procedures for hiring and termination of the Fiscal Officer, Early Childhood (Head Start) Director and Human Resource Director.
- Assist in the development of the agency's strategic plan and review annually for updates.
- Engage in the agency's community needs assessment biannually & approve the statement and acknowledgement of needs for submission to the Office of Community Services.

The Board supports the Agency by:

- Identifying and developing resources to augment funds.
- Visits or participates in program activities.
- Participates in joint training opportunities with the Head Start Policy Council.
- Assists in obtaining feedback from the communities about the quality of services provided by the agency.

Executive Director

The Executive Director is responsible for the day-to-day oversight and management of the agency, which includes hiring and supervising the Fiscal Officer, the Early Childhood Director and Human Resource Director. The Executive Director shall make every effort when hiring these persons to verify that they are honest, competent, (either through experience or training), and innovative in financial/programmatic/personnel management.

Fiscal Officer

The Fiscal Officer is responsible to the Executive Director. He/she is responsible for the day-to-day operation of the Accounting Department. He/she shall make every effort to employ honest and competent staff in the Accounting Department.

The agency organizational chart outlines the accounting staff.

Accounting Department

General Responsibilities

- Budgeting
- Grants and Contracts Administration
- Compliance with Government Reporting Requirements
- General Ledger
- Cash Management
- Cash Receipts
- Asset Management
- Accounts Receivable and Billing
- Accounts Payable
- Cash Disbursements
- Bank Reconciliation
- Purchasing
- Payroll and Benefits
- Financial Statement Processing
- External Reporting of Financial Information
- Annual Audit
- Leases

- Insurance
- Retirement

Policy 5002.00

Fiscal Year of Agency

CAPCA shall operate on a fiscal year that begins on April 1 and ends on March 31. Any changes to the fiscal year of the agency must be approved by the Governing Board.

Policy 5003.00 Accounting Records

Fiscal transactions of Community Action Program for Central Arkansas, Inc. (CAPCA) shall be fully documented and traceable through the accounting records maintained in the administrative office located at 707 Robins Suite 118, Conway, AR.

Accounting records shall be kept orderly and available for unrestricted access by awarding agencies or any of their duly authorized representatives in order to make audits, examinations, excerpts, transcripts and copies of such documents. This right also includes timely and reasonable access to CAPCA personnel for the purpose of interview and discussion related to such documents.

Policy 5004.00 Record Retention

All financial records, supporting documents, statistical records, and all other records pertinent to a Federal award must be retained for a period of 7 years from the date of submission of the final expenditure or annual financial report (as applicable).

The exceptions are the following:

- Any litigation, claim, or audit started before the expiration of the 3-year period, and held until the action has been resolved or final action taken.
- Agency is notified in writing of extended retention period.
- Records for real property and equipment acquired with Federal funds retained 3 years after final disposition.”
- Records classified as permanent shall be kept indefinitely.

Financial records for the current fiscal year are maintained in the agency’s administrative office. Records from prior fiscal years shall be stored in the dead file room located in the administrative office.

Permanent Records

Following is a list of financial records that shall be maintained in permanent files:

- Financial Reports to funding sources (Form 425)
- Financial Assistance Awards
- Articles of Incorporation/By-laws
- Governing Board Minutes
- Tax Returns and work papers
- Audit Reports
- Annual Report
- Property records deeds, and appraisals
- Legal Documents
- Retirement Plan Documents

Record Destruction

It is the policy of the agency to retain records as required by law and to destroy them when appropriate. The destruction of accounting records must be approved by the Fiscal Officer.

The formal records retention policy is as follows:

Record	Retention
Audit reports	Permanent
Correspondence – Legal and important matters	Permanent
Deeds, mortgages, and bills of sales	Permanent
Financial statements – Year-end	Permanent
General ledgers/year-end trial balance	Permanent
Minute books of directors, bylaws, and charters	Permanent
Retirement and pension records	Permanent
Tax returns and worksheets, examination reports and other documents relating to tax filings	Permanent
Trademark registrations and copyrights	Permanent
Accident reports/claims (settled Cases)	7 Years
Accounts payable ledgers and schedules	7 Years
Accounts receivable ledgers and schedules	7 Years
Contracts, mortgages, notes, and leases – expired	7 Years
Garnishments	7 Years
Insurance claims	7 years
Inventories of products, materials, and supplies	7 Years
Invoices (to customers, from vendors)	7 Years
Notes receivable ledgers and schedules	7 Years
Payroll records and summaries	7 Years
Personnel records (terminated)	7 Years
Property records (incl. depreciation schedules)	7 years
Purchase orders	7 Years
Sales records	7 Years
Subsidiary ledgers	7 Years
Timesheets/cards	7 Years
Withholding tax statements	7 Years
Employment applications	5 Years
Bank statement & reconciliations	3 Years
Chart of accounts	3 years
Insurance policies (expired)	3 Years
Internal audit reports	3 Years
Internal reports	3 Years
Petty cash vouchers	3 Years

Correspondence – General	2 Years
--------------------------	---------

Exception for Investigations

In connection with any ongoing or anticipated investigation into allegations of violations of federal laws or regulations, provisions of government awards, or violations of the Organization’s Code of Conduct, the following exceptions are made to the preceding scheduled retention and/or destruction of records:

- All records related to the subject of the investigation or allegation shall be exempt from any scheduled record destruction.
- The term “records” shall also apply to any electronically stored record (e.g., documents stored on computers, email messages, etc.), which shall also be protected from destruction.

Policy 5005.00 Internal Control

Accounting duties shall be separated among employees in the Accounting Department, when reasonable, to insure maintenance of a good internal control structure and minimize opportunities for fraud or misuse of funds. Other controls that are in compliance with the COSO model of internal control are included in these procedures. Examples of such controls are requirements for reviews and approvals, and procedures that protect the assets of the Organization.

Policy 5006.00 Basis of Accounting

The financial statements shall be reported in accordance with generally accepted accounting principles or federal regulations.

Policy 5007.00 Business Conduct

Practice of Ethical Behavior

Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. The policies and reputation of the agency depend to a very large extent on each employee following the agency’s Code of Ethics. It is each employee’s responsibility to apply common sense in business decisions where specific rules do not provide guidance.

Conflicts of Interest

No employee, officer, or agent of the agency shall participate in the selection, award, or administration of a contract involving CAPCA if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, or any member of her or his immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicted herein, has a financial or other interest in the firm selected.

Disciplinary Action

Failure to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the agency or to the government, for any loss or damage resulting from the violation.

Policy 5008.00 Fraud Policy

Scope

This policy applies to any fraud or suspected fraud involving employees, officers or directors, as well as members, vendors, consultants, contractors, funding sources and/or any other parties with a business relationship with CAPCA. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship with the agency.

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur with his or her area of responsibility, and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported immediately to the Fiscal Officer, Executive Director or Member of the Executive Committee of the Governing Board. Employees reporting fraud or any other activity, which is in violation of the agency fraud policy, are protected by the Whistleblower Policy, which can be found in Section 100.00, Policy 106.10 in this manual.

Actions Constituting Fraud

The terms fraud, embezzlement, misappropriation, and other fiscal irregularities referred to, but are not limited to:

- Any dishonest or fraudulent act including intentionally enrolling ineligible clients
- Forgery or alteration of any document or account belonging to the agency.
- Forgery or alteration of a check, bank draft, or any other financial document.
- Misappropriation of funds, securities, supplies, equipment, or other assets.
- Impropriety in the handling or reporting of money or financial transactions.
- Disclosing confidential and proprietary information to outside parties.
- Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to CAPCA. Exception: unsolicited items of nominal value (less than \$25).
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment.

Investigation Responsibilities

The Finance Committee of the Governing Board has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The Finance Committee may utilize whatever internal and/or external resources it considers necessary in conducting an investigation. If an investigation substantiates that fraudulent activities have occurred, the

Finance Committee will issue reports to appropriate designated personnel. As appropriate, the full Governing Board will receive these reports.

Decision to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final dispositions of the case.

Employees who intentionally enroll ineligible clients will be subject to Disciplinary Action as described in Section 1200.00 of the Administrative Manual.

If suspected fraud or other wrongdoing involves programs funded in whole or in part with federal funds, additional responsibilities, such as special reporting and disclosure to the awarding agency, may apply to the agency. It is the policy of CAPCA to fully comply with all additional reporting, disclosure and other requirements pertaining to suspected acts of fraud as described in award documents.

Policy 5009.00 SECURITY

Accounting Department

Accounting Department office doors shall be closed and locked in the evenings and whenever staff are offsite. Blank check stock shall be stored in a locked and secure location in the Accounting Department. Keys shall be in the possession of the Fiscal Officer or his/her designee. When checking accounts are closed, remaining checks will be audited, remaining check numbers verified and signed off by the Executive Director before destruction.

Access to transfer funds from CAPCA's PayPal account to the bank account is limited to the Fiscal Officer or, in his or her absence, designee. Use of PayPal account for purchases will follow procurement procedures.

Policy 5009.10 Access to Electronically Stored Accounting Data

It is the policy of CAPCA to utilize passwords to restrict access to accounting software and data. Only duly authorized accounting personnel with data input responsibilities will be assigned passwords that allow access to edit data within the system. Secured data includes protected personally identifiable information (PII).

Program Directors and/or their designees have access to view but not to edit accounting data. The Human Resource Director has access to view but not edit payroll data.

Individual users create their own password. The Fiscal Officer or Payroll Administrator gives users access to view, edit or delete information as needed to perform their duties.

Immediately upon termination of an employee in the Accounting Department, the Fiscal Officer or Assistant inactivates their user identification, thus blocking access to the system.

Each password enables a user to gain access to only those software and data files necessary for each employee's required duties.

Storage of Back-Up Files

It is the policy of CAPCA to maintain back-up copies of electronic accounting data files and store these off-site in a secure environment. The Purchasing Agent is responsible for daily back-ups and the Fiscal Officer and the Payroll Administrator are the alternates.

Policy 5010.00 GENERAL LEDGER AND CHART OF ACCOUNTS

General Ledger

The general ledger is defined as a group of accounts that supports the information shown in the major financial statements. The general ledger is used to accumulate all financial transactions of the agency, and is supported by subsidiary ledgers that provide details for certain accounts in the general ledger. The general ledger is the foundation for the accumulation of data and reports.

Chart of Accounts Overview

The chart of accounts is the framework for the general ledger system, and therefore the basis for CAPCA's accounting system. The chart of accounts consists of a 10-digit code divided into 3 parts. The digits represent the following coding:

XXXXX-XXX-XX

First 5 – General Ledger Code

Next 3– Program Code

Last 2- Function

Account numbers and categories are grouped as follows:

Account	Type	Category
10,000-10,999	XXX	Cash
12,000-12,999	XX	Receivables
13,000-13,999	XX	Prepays
15,000-15,999	XX	Fixed Assets
20,000-29,999	XXX	Payables
30101		Fund Balance
40,000-49,999	XXX	Revenue
50,000-89,999	XXXX	Expenses
90101		Transfers

Control of Chart of Accounts

CAPCA's chart of accounts is monitored and controlled by the Fiscal Officer. He/she ensures that the chart of accounts is consistent with the organizational structure and meets the needs each funding source, and must approve any additions or deletions of accounts.

Journal Entries

All general ledger entries that do not originate from a subsidiary ledger shall be supported by journal entries, which shall include a reasonable explanation of such entry. Examples of such journal entries include, but not limited to:

- Recording of non-cash transactions
- Corrections of posting errors
- Cash receipts

It is policy that all journal entries not originating from subsidiary ledgers shall be reviewed in writing by the Fiscal Officer or his/her designee.

Accounting Estimates

CAPCA utilizes certain estimates in the preparation of its interim and annual financial statements. Some of those estimates include:

- Useful lives of property and equipment
- Fair market value of donated assets
- Values of contributed services
- Cost allocation calculations

The Fiscal Officer will reassess, review and approve all estimates yearly. All conclusions, bases, and other elements associated with each accounting estimate shall be documented in writing. All material estimates and changes in estimates from one year to the next shall be disclosed to the Finance Committee and the external audit firm.

Standards for Financial Management Systems

In accordance with 2 CFR Part 200.302(b), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, CAPCA maintains a financial management system that provides for the following. Specific procedures to carry out these standards are detailed in the appropriate sections of this manual.

- a. Identification, in all its accounts, of all Federal awards received and expended and the Federal programs under which they were received. (2 CFR Part 200.302(b)(1))
- b. Accurate, current, and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements of 2 CFR Parts 200.327, *Financial Reporting*, and 200.328, *Monitoring and Reporting Program Performance*, and/or the award.
- c. Records that identify adequately the source and application of funds for federally funded activities. These records must contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest and be fully supported by source documentation.
- d. Effective control over and accountability for all funds, property, and other assets. Sample Organization must adequately safeguard all such assets and ensure they are used solely for authorized purposes.
- e. Comparison of expenditures with budget amounts for each award.

- f. Information that relates financial data to performance accomplishments and demonstrates cost effective practices as required by funding sources. (*2 CFR Part 301, Performance Measurement*)
- g. Written procedures to minimize the time elapsing between the transfer of funds and disbursement by CAPCA. Advance payments must be limited to the minimum amount needed and be timed to be in accordance with actual, immediate cash requirements. (*2 CFR Part 200.305 Payment*)

Written procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of the *2 CFR Part 200 Subpart E, Cost Principles*, and the terms and conditions of the award.

SECTION 5100.00 REVENUES AND CASH RECEIPTS

Policy 5101.00 Revenue

Revenue Recognition Policies

CAPCA receives revenue from several types of transactions. Revenue from each of these types of transactions are recognized in the financial statements in the following manner:

- Grant Revenue – Recognized as income based on incurrence of allowable costs (for cost-reimbursement awards), or based on other terms of the award.
- Food Service – Recognized as income when service is provided.
- Contributions – Recognized as income when received.

Classification of Income

All income received is classified as “unrestricted,” with the exception of the following:

- Special endowments, bequests, legacies and foundation grants requesting that these funds be restricted for specific purposes.

From time to time, the agency may raise other forms of contribution income, which carry stipulations that CAPCA utilize the funds for a specific purpose or within a specified time period identified by the donor of the funds.

The Governing Board may determine that it is appropriate to set funds aside for specific projects. To the extent these set-asides result from a Board action, rather than a donor-imposed requirement, the resulting set-aside shall be classified as “unrestricted”.

Policy 5102.00 Revenue Through Monthly Reimbursements

The following is a list of services billed monthly and reimbursement received by the agency with the frequency that each should be billed:

Monthly Billings

1. USDA – All families enrolling in CAPCA Head Start Programs are categorically eligible for the USDA Program and will receive free status. The total number of children enrolled by category

(free, reduced, or paid) is summarized by the Payroll Administrator monthly and entered on the USDA claim.

The claim is reviewed by the Early Childhood Director or Fiscal Officer and electronically submitted for reimbursement.

Funds are received by direct deposit and used to reimburse food costs, food supply, food service salaries and other food expenses for the Early Childhood programs.

2. Community Service Block Grant - The Department of Human Services/Office of Community Services will be billed for reimbursement of monthly expenditures. The monthly billings will be prepared by the Fiscal Officer or his/her designee. The Executive Director and preparer are authorized signers.

Funds are normally received by direct deposit to the bank. The notification from the bank and the disbursement warrant from Auditor of State are matched to the billing and a cash receipt is prepared by the Payroll Administrator.

Any discrepancies are investigated and resolved by the Fiscal Officer.

3. Emergency Solutions Grant - The Department of Human Services/Office of Community Services will be billed for reimbursement of monthly expenditures. The monthly billings will be prepared by the Fiscal Officer or his/her designee. The Executive Director and preparer are authorized signers.

Funds are normally received by direct deposit to the bank. The notification from the bank and the disbursement warrant from Auditor of State are matched to the billing and a cash receipt is prepared by the Payroll Administrator.

Any discrepancies are investigated and resolved by the Fiscal Officer.

4. The Emergency Food Assistance Program – The Department of Human Services will be billed for reimbursement of monthly cases of USDA Commodities distributed and reimbursable direct or indirect costs of distribution. The monthly number of cases of USDA Commodities issued, entitlement inventory, and bonus inventory are completed by the Food Pantry Coordinator (or designee) and submitted to the Fiscal Officer (or designee) for preparation of the monthly billing. The Executive Director and preparer are authorized signers.

Funds are normally received by direct deposit to the bank. The notification from the bank and the disbursement warrant from Auditor of State are matched to the billing and a cash receipt is prepared by the Payroll Administrator.

Any discrepancies are investigated and resolved by the Fiscal Officer.

5. Weatherization Assistance Program - A monthly billing based on monthly expenditures and projected expenses is submitted to the Arkansas Department of Environmental Quality. The Fiscal Officer or his/her designee will prepare the billing. The Executive Director and Preparer will be the authorized signatures.

Funds are normally received by direct deposit to the bank. The disbursement warrant from the Auditor of State are matched to the billing and a cash receipt is prepared by the Payroll Administrator.

Weekly Billings

Low-Income Home Energy Assistance Program

When the LIHEAP Program is in operation, Weekly Data Reports OCS Form-2065 are submitted to the Arkansas Energy Office. Funds may be requested in advance or monthly. Advance request must be submitted two weeks prior to the month funds are desired.

It is the overall responsibility of the Bookkeeper to see that Weekly Data reports requesting funds are submitted in a timely manner. The funds are direct deposited into the LIHEAP bank account. The bank, along with Arkansas Energy Office, will notify the agency that a wire transfer is being made. The Payroll Administrator or his/her designee will be responsible for recording the transaction.

PAYMENT MANAGEMENT SYSTEM

Head Start/Migrant and Seasonal Head Start/Early Head Start – Normally payable checks are written once a week and payroll checks are written every other week. The following procedures apply when requesting federal funds to make these disbursements.

- The Fiscal Officer or Payroll Administrator requests the total funds necessary for the weekly check run through the Payment Management System (PMS) via the Internet. Access to PMS is limited to the Payroll Administrator, and the Fiscal Officer. For security purposes, pass codes will be changed periodically or when the Fiscal Officer or Payroll Administrator leaves CAPCA. The Payroll Administrator keeps a log of all funds requested.
- The next business day, the Fiscal Officer verifies receipt and transfers any funds needed to cover the Head Start programs into that account, before the checks are released. Once verification and transfers made, the checks are mailed or distributed.
- Electronic fund totals are recorded on the Cash Receipts Journal by the Payroll Administrator.
- The electronic funds transfers are reconciled to the quarterly PMS report by the Payroll Administrator or Fiscal Officer.
- CAPCA will strive to minimize the time between the receipt and disbursement of funds from the PMS system by disbursing these funds within 3 days of receipt.

Policy 5103.00 Cash Receipts

Cash (including checks payable to the agency) is the most liquid asset of CAPCA. Therefore, it is the objective of the agency to establish and follow the strongest possible internal controls in this area.

Processing of Checks and Cash Received

Office Assistant I in the administrative office receives and logs all checks and cash received by the agency.

Funds received directly by CAPCA staff shall be immediately turned into the Office Assistant I to log.

Mail is opened by an office assistant daily in an open area. The Office Assistant shall not be involved in the accounts receivable or accounts payable process. All cash/checks shall be logged on an incoming cash log by Office Assistant I or designee and forwarded to the Payroll Administrator daily to complete the deposit slip. All money or checks are deposited the same day if received by 2:00 p.m. If funds are received after 2:00 p.m., they are placed in a locked cabinet in the Accounting Department until the next day. The deposit slip will be submitted to the Payroll Administrator to reconcile to cash log entries and to complete the cash receipts journal entry. The Fiscal Officer will complete the monthly bank reconciliations.

Deposit of Checks

It is the policy of CAPCA that all checks received shall immediately be restrictively endorsed by Office Assistant. The restrictive endorsement shall be a stamp that includes the following information:

- For Deposit Only
- CAPCA, Inc.

Numbered, two-part cash receipts are prepared by the Payroll Administrator. The Executive Director/Office Manager or designee (who does not receive or record cash receipts) will make deposits.

All deposits are to be made intact; in no case should a check be endorsed for cash or a partial amount of cash returned from a deposit.

The Fiscal Officer or assignee shall review all deposits before they are taken to the bank. The Payroll Administrator shall record all cash receipts in the Cash Receipts Journal.

On a monthly basis, the Fiscal Officer who does not prepare the initial cash receipts listing or bank deposit, shall reconcile the listings or receipts on the Cash Receipts Journal to bank deposits reflected on the monthly bank statement. Any discrepancies shall be immediately investigated by the Fiscal Officer.

Reconciliation of Deposits

The incoming cash log shall be reconciled against the General Ledger on a monthly basis by the Payroll Administrator to verify that all recorded receipts were deposited. The Fiscal Officer will review, initial and date this reconciliation.

SECTION 5200.00 EXPENDITURES AND DISBURSEMENTS

Policy 5201.00 Procurement Policies

It is the policy of CAPCA to follow a practice of ethical, responsible and reasonable procedures related to purchasing, agreements, contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all staff shall adhere to in the completion of their designated responsibilities.

Requisitions and Purchase Orders

1. A requisition is completed for goods or services and submitted to his/her supervisor for approval. Each Program Director or designee must review and approve the request for reasonableness, allowability and allocability, before a purchase order can be created. The Director codes the requisition according to program to be charged. The requisition is forwarded to the Fiscal Officer for final approval. He/she makes a cost analysis to determine funding availability and ensures program codes are allowable and accurate.
2. A properly completed requisition shall contain the following information, at a minimum
 - Specifications or statement of services required.
 - Vendor name and address.
 - Source of funding.
 - Delivery, packing and transportation requirements (if necessary).
 - Special conditions (if applicable).
 - Catalog number, page number, etc. (if applicable).
 - Net price per unit, less discount, if any.
 - Total amount of order (including shipping and handling fees, taxes).
 - Authorized signatures.
 - Date requisition prepared.
 - Requisition for medical/dental services should be accompanied by medical/dental insurance documentation.
 - Requisitions for equipment (\$5,000 and over) should be accompanied by bid information and funding source approval.
3. To avoid purchasing unnecessary or duplicate items, the agency will use a purchase order system for the acquisition of items and services. The approved purchase order indicates an obligation on behalf of the agency.
4. The Purchasing Agent prepares purchase orders for all purchases with the exception of rent, utilities, pest control, telephone, and other expenses as these or an agreement or contract.
5. The Purchasing Agent will process purchase orders at least twice a week. The Purchasing Agent will sign all purchase orders. The Executive Director will approve all purchase orders over \$5,000. Single item purchases over \$10,000 require Board approval.

6. The signed purchase order is distributed as follows: The Accounting Department will file with purchase requisition and invoice when paid. The Purchasing Agent will email P.O. numbers to requesting employee & their supervisor.
7. In emergency situations, employees may call in for a purchase order number. In these situations, staff must submit an authorized requisition, which is to include the issued purchase order number written in the upper right corner of the form. The requisition must be sent to the Purchasing Agent on the day of the emergency. (Examples of emergency situations: plumbing, medication resulting from an exam, etc.)
8. A list of outstanding purchase orders shall be prepared monthly and reviewed by the Purchasing Agent and appropriate Program Director to ensure all purchase orders are current and closed or void purchase are removed.

Policy 5201.10 DOWN PAYMENT POLICY

A request to purchase goods or services requiring a down payment must be approved by the Program Director, Fiscal Officer, and Executive Director prior to the initiation of the purchasing process. If any form of down payment is required, a contract must be obtained and signed by the vendor and the CAPCA official before a purchase order is created. Down payments should not exceed 25% of the total purchase price. The Executive Director must approve any required down payments that exceed the given threshold before funds are obligated.

Policy 5201.20 Procedures for credit card usage are as follows:

1. Credit cards are kept in a locked, central location on site, under the supervision of the person in charge at the field locations or Fiscal Officer or their designee at the administrative office.
2. Credit cards are signed in and out on a daily log sheet, which states the card taken, date of sign-out, name of individual taking the card, and date the card was returned. Logs are submitted monthly to the Fiscal Officer.
3. An authorized purchase order number must be presented to the vendor, along with the credit card, at the time of purchase. Any unauthorized use of the credit card will be considered justification for termination and could result in funds being reimbursed from the purchaser.
4. The credit card receipt must be scanned and emailed to accounting@capcainc.org within one business day of the purchase. The Purchasing Agent may request receipts earlier if needed to complete timely reconciliation of statements. Staff will write the purchase order number and type of card used on receipt.
5. Credit cards are issued to site managers when applicable. Site managers complete a custody receipt prior to receiving card. When sites are not in session, all cards are returned to the Accounting Department and custody receipt is resigned. Cards will be locked in the safe until the sites re-opens.
6. When an employee leaves the agency, any credit card issued to that employee shall be returned at their exit interview.

Credit Cardholder Responsibilities

CAPCA recognizes that certain job functions or locations may need credit cards on hand to facilitate purchasing. Supervisors of these staff members or locations may request a credit card by contacting the Fiscal Officer.

Upon issuance, cardholders will be required to sign a statement acknowledging the following:

- The card shall be used exclusively for legitimate Organization-related business purposes.
- The cardholder will follow CAPCA's procurement procedures, which require an approved requisition and purchase order for each purchase.
- The cardholder agrees to take reasonable precautions to protect the card from loss or theft by storing it in a secure location, and understands the actions to take in case of theft or loss.
- The cardholder will follow all required procurement policies and procedures.
- The cardholder understands and agrees to disciplinary procedures for misuse of the card.

If the Fiscal Department is missing a receipt when the monthly statement is reconciled, the Purchasing Agent will follow up with the employee to get the receipt.

The Executive Director must approve any new credit card accounts prior to opening of any account. The Fiscal Officer completes the credit card application and submits it to the Executive Director for approval. Once approved, the application is sent to the credit card company for final approval. All credit cards are issued in the agency's name with the Executive Director and Fiscal Officer listed as authorized signers. Any new cards are stored in a locked cabinet in the Accounting Department along with all other credit cards. Any fraudulent or other unauthorized charges shall be immediately pointed out to the Fiscal Officer for further investigation with the card provider.

Personal use of corporate credit cards is strictly prohibited. Any personal use will subject the employee to the Organization's disciplinary actions discussed earlier in this manual.

Cardholders shall report the loss or theft of a corporate credit card immediately by notifying the credit card company as well as the Fiscal Officer.

Revocation of Corporate Credit

Failure to comply with any of these policies associated with the use of corporate credit cards shall be subject to possible revocation of card privileges. The Fiscal Officer, with the approval of the Executive Director, shall determine whether credit cards are to be revoked.

Code of Conduct

Ethical conduct in managing the Organization's purchasing activities is absolutely essential. Staff must always be mindful that they represent the Board of Directors and share a professional trust with other staff and funding sources.

- Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services.
- Staff shall notify their immediate supervisor if they are offered such gifts.
- No officer, board member, employee, or agent shall participate in the selection or administration of a contractor if a real or apparent conflict of interest would be involved. Such a conflict would arise if an officer, board member, employee or agent, or any member of his or her immediate family, his or her spouse or partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the contractor selected.
- Officers, board members, employees, and agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to sub-agreements.

Unsolicited items of nominal value (less than \$50) may be accepted on behalf of the agency.

Competition

Necessary procurement transactions shall be conducted in a manner to provide open and free competition. Positive efforts shall be made to utilize small business, minority-owned business, labor surplus area firms and women's business enterprises.

In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop a draft of specifications, requirements, statements of work, invitations for bids/and or request for proposals shall be excluded from competing for such procurements.

Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such a description shall not contain features that unduly restrict competition.

The types of procuring instruments used are as follows:

- Purchase Order
- Fixed Price Contract – large purchases of products or major services based on price competition
- Cost Reimbursable Contract – purchase of services based on factors other than price competition
- Lease (Lease/Purchase Agreement-Lease/Service Agreement-Rental Agreement-Installment Contract) – Used for rental or installment purchases of both products and services.

All contracts for procurement of property and/or services must be in writing. Contracts will be signed between the Program Director or their designee and the owner of the company providing property and/or services or their designee.

The cost-plus-a-percentage-of-cost and Cost-Plus-a Percentage of construction cost methods of contracting will not be used.

Bids

Purchases of less than \$10,000 (\$2,000 when Davis Bacon applies) total (that is, the total of the invoice) (called “micro-purchases” in Uniform Guidance) may be made without competitive quotes in accordance with the following procedures:

1. Price must be considered reasonable based on past purchases;
2. Whenever possible, the purchase should be made from a supplier used in the past;
3. If a past supplier cannot be used, a minimum of 2 price quotes are required; and
4. As much as possible, micro-purchases should be spread among qualified suppliers as long as the price is comparable.

Purchases that in total exceed \$10,000 but less than \$250,000 require at least three (3) informal quotes. These may be verbal, written or online quotes. A Bid Request and Acceptance Form AD0004 will be used to document prices quoted. The Fiscal Officer and Program Director approve the bid request, and the Executive Director will sign the bid request & acceptance form.

Purchases of \$250,000 or more will be made only after receiving bids (sealed bid are required for all weatherization projects) or responses to requests-for-proposals (RFPs). When required by funding source, bids must be in response to an advertised request, which will be published at least one (1) time in a local newspaper or one with general circulation in the state.

Weatherization sealed bids will be processed as such:

Bid opening will not be less than five (5) calendar days nor more than thirty (30) days following the date set for the bid opening. Bids shall be opened publicly in the presence of one (1) or more witnesses at the time and place designated in the invitation for bids.

Each bid, together with the name of bidder, shall be recorded and open to public inspection. All documentation will be kept in the procurement file.

The Bid Request and Acceptance Form, AD0004 will be approved by the Program Director and the Fiscal Officer. The Executive Director will sign the bid and acceptance form.

For Head Start, all equipment purchases \$5,000 and over must be approved by the Office of Head Start. For Weatherization, all equipment purchases \$5000 and over must be approved by Weatherization.

For sealed bids, written justification must be in the file if the lowest bid is not accepted. For RFPs, when considering an award, several factors are considered other than price. These factors

include, but are not limited to, quality, service availability, vendor integrity, record of past performance, and discounts.

Any and all bids/offers may be rejected when it is in the agency's best interest to do so. Every procurement action with a total cost of \$5,000 or more will be reviewed by the Fiscal Officer, Program Director and Executive Director. This review will help determine reasonableness, allocability, and allowability.

NON COMPETITIVE PURCHASES (SOLE SOURCE)

EMERGENCIES:

Where equipment, materials, parts, and/or services are needed, quotations will not be necessary if the health, welfare, safety, etc., of staff and protection of Organization property is involved. The reasons for such purchases will be documented in the procurement file.

SINGLE DISTRIBUTOR/SOURCE:

Sole source purchases may be made when one or more of the following circumstances apply:

- The item or service is only available from a single source
- The situation is an emergency and will not permit a delay resulting from competitive solicitation
- The awarding agency expressly authorizes a noncompetitive proposal in response to a written request or
- After solicitation, competition is deemed inadequate (insufficient bidders).

Where CAPCA proposes to enter into a sole-source contract, or a contract where only one bid or proposal is received, such contract will be subject to prior approval by Office of Community Services (OCS), if the aggregate expenditure for all items procured from the contractor exceeds \$5,000 in a twelve (12) month period.

The Executive Director shall approve non-federal contracts.

CAPCA maintains records sufficient to detail the significant history of procurement. These records include, but are not necessarily limited to, information pertinent to the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the cost or price.

The Executive Director and Program Directors ensure that contract administration is maintained. Contractors will conform with terms, conditions and specifications of the contract. Timely follow-up of all purchases and/or services are conducted.

Davis-Bacon Act: The Davis Bacon Act applies to federal grants and programs when it is written into the act that created the program. For CAPCA, it applies to Head Start and Early Head Start. In all construction, alteration, or repair of facilities/houses owned, rented, contracted, or operated by the agency in excess of \$2000, the advertised specification will contain a provision stating the wages to be paid shall be no less than locally prevailing wages and benefits, as

determined by the Secretary of Labor, in accordance with the Davis-Bacon Act of 1931. The successful bidder in response to an advertised bid will submit weekly wage statements to the agency for all laborers employed on said project.

A. REQUEST FOR PROPOSALS PACKAGE

PURPOSE: To establish the process for development of a standard bid package for goods and services.

PROCEDURES

Program Director/Designee

1. Prepare the scope of work statement and/or specifications of materials/services to be solicited.

Fiscal Officer/Program Director/Designee

2. Establish the solicitation timeframe which includes:

- Date and time period for advertisement.
- Closing date for receipt of bids/proposals.
- Opening date of bids/proposals.

Program Director/Designee

3. Establish minimum requirements.
4. Establish evaluation criteria, if applicable.

Fiscal Officer/Program Director/Designee

5. Prepare the bid package which includes:

- Cover sheet
- Statement of work specifications or materials to be purchased.
- Minimum requirements
- Evaluation criteria
- Work quality standards
- Proposal format
- Sample contract
- Date of bidder's conference
- Right of the agency to accept or reject all bids
- Period of contract

ADDITIONAL INFORMATION

1. Minimum requirements must include:

- Certification regarding debarment and suspension.
- Lobbying
- Drug Free Workplace

2. Affirmative Action Steps must include:

- Giving preference to each of the following:

- Minority Firms
 - Women Business Enterprises
 - Labor Surplus Area Firms: : *A list of labor surplus areas can be found at: www.doleta.gov/programs/lisa.cfm*
 - Small Business (defined as any business whose gross are \$2,000,000 or less per year)
3. Agency shall make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of proper procurement. Consideration must be given to such matters as contractor integrity, compliance with public policy, record of past performance and financial and technical resources.
4. Minimum requirements cannot be unreasonable or excessive.

FORMS:

- Certification regarding debarment and suspension/Certification regarding lobbying/Drug Free Workplace Certification (Appendix C)

B. SOLICITATION OF REQUEST FOR PROPOSALS

PURPOSE: To establish a standard method of advertising procurement activities to assure maximum open and free competition.

PROCEDURES

Program Director/Designee

- Prepare the advertisement for newspaper.
- Prepare notice to be posted.

Fiscal Officer/Program Director/Designee

Submit advertisement to newspaper.

- Secure documentation of advertisement, i.e. newspaper

Program Director/Designee (Weatherization Only)

- Prepare technical information for bidder's conference.
- Facilitate bidder's conference.

Office Manager/Designee

- Provide sign-in sheet for bidder's conference and ensure all individuals sign.
- Record minutes of bidder's conference.

ADDITIONAL INFORMATION (For Weatherization, sealed bids only)

- *No verbal information about the solicitation will be provided to anyone.*
- All prospective bidders' are strongly encouraged to attend a mandatory bidder's conference to be eligible and to obtain a bid packet.

C. RECEIPT OF BIDS/PROPOSALS

PURPOSE: To establish procedures that will be followed to assure equal treatment to all perspective bidders.

PROCEDURES

Office Manager/Designee

- All sealed bids/proposals will be logged into the bid/proposal control sheet.
- Each bid will be stamped, dated, time of bid received, initiated by person receiving bid.

Fiscal Officer/Designee

- Bids/proposals will be maintained in a secured location until time of opening.
- Conduct public bid opening. (for weatherization only)
- Return all bids received/submitted after closing date, unopened to bidder including letter of explanation as to the reason it was returned.

D. EVALUATION OF BIDS/PROPOSALS AND CONTRACT AWARDS

PURPOSE: To evaluate the bids/proposals submitted, select the contractor and award the contract.

PROCEDURES

Fiscal Officer/Program Director/Designee

Schedule a private meeting of evaluation panel.

Evaluation Panel which is typically made up of the Fiscal Officer and appropriate Program Director. Other relevant staff, including the Executive Director may also participate depending on the nature of the purchase.

- Evaluate bids/proposals for compliance with all requirements.
- Evaluate the responsive bids/proposals based on cost of criteria established in the bid package.
- Prepare summary of points/costs for all of the responsive bidders.
- Submit the name, bid amount and justification for selection of the individual/firm selected for contract award to administration for approval.
 - Include Cost Estimate and Description form (appendix A) or
 - Include Cost Quotation Form (appendix B)

Program Director/Designee

- Send the notice to contract to select contractor and secure the following information.
 - Certification of insurance, if applicable.
 - Review and approve suppliers list, if applicable.
 - Secure a copy of all required licenses, if applicable.
 - Certification regarding suspension and debarment from suppliers and subcontractors.
- Verify that insurance meets requirements, if applicable.
- Secure fully executed contract.
 - Provide written notification to unsuccessful bidder.

E. PROTEST PROCEDURES

PURPOSE: To provide specific actions which will be taken should a protest be filed by an unsuccessful bidder.

PROCEDURES

Protester

- File a written complaint using the agency specified format within ten (10) working days after notice of rejection.

Contracts Officer

- Notify contractor that a complaint of protest has been filed.

Administration

- Schedule the meeting of protest committee to review complaint.

Protest Committee

- Conduct meeting to evaluate protest within ten (10) working days of the filing of the receipt of protest.
 - Record minutes of evaluation of protest committee meeting.
- Issue a decision to agency administration within five (5) working days of the meeting of the protest committee.
- Notify protester of the decision of the protest committee.

ADDITIONAL INFORMATION

Protest format will contain the following:

- Notice of protest and specific reasons for filing the protest.
- Statement stating this is a protest letter.
- A detailed statement of the grounds for protest.
- A specific request for a ruling by the protest committee and a statement of the relief requested.

*If this information is not furnished, the agency may refuse to consider the protest.

- Protests must always be provided in writing.
- The individuals who sit on the protest committee must be identified in writing prior to commencement of all procurement activities.
- The contracting officer and Program Director should not be involved in the protest procedures other than to provide technical support to the protest committee.

F. RECORDS MANAGEMENT

PURPOSE: To detail the required information that must be maintained in the bid process, contract, and protest (if applicable) to ensure proper documentation.

PROCEDURES

Fiscal Officer/Program Director/Designee

1. Establish and maintain the bid file(s) which includes:
 - Cost estimated and approval to proceed with the procurement.
 - Documentation of advertisement.
 - Bid/proposal package.
 - List of individuals attending the bidder's conference (sign-in sheet).
 - Minutes of the bidder's conference.
 - List of evaluation panel members.
 - Bids received.
 - Summary sheet and work papers.
 - Rejection letters.
2. Establish and maintain contractor files which include the following information:
 - Bid/Proposal
 - Notice to Contract
 - Certificate of Insurance
 - Licenses, if applicable
 - Payment Requests
 - Performance Evaluations
 - Change Order, if applicable
 - Contract
 - Certifications
 - Suspension and Debarment
 - Lobbying
 - Drug Free Workplace

Administration

3. Protest File
 - a. List of protest committee members.
 - b. Copy of the protest committee correspondence, meeting minutes, and work papers.

ESTIMATE AND DESCRIPTION

SERVICES/GOODS TO BE PURCHASED:

ESTIMATED COST: BASIS FOR ESTIMATION	
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APPROVED

Executive Director's Signature

Fiscal Officer's Signature

COST QUOTATION

DATE:	
DESCRIPTION OF ITEM TO BE	
VENDOR'S NAME	
PERSON PROVIDING QUOTE	
ITEM (BRAND NAME & MODEL)	
QUOTE	\$
ADDITIONAL INFORMATION:	
DATE:	
DESCRIPTION OF ITEM TO BE	
VENDOR'S NAME	
PERSON PROVIDING QUOTE	
ITEM (BRAND NAME & MODEL)	
QUOTE	\$
ADDITIONAL INFORMATION:	
DATE:	
DESCRIPTION OF ITEM TO BE	
VENDOR'S NAME	
PERSON PROVIDING QUOTE	
ITEM (BRAND NAME & MODEL)	
QUOTE	\$
ADDITIONAL INFORMATION:	

DECISION

VENDOR CHOSEN	ITEM CHOSEN (Brand and Model)	QUOTE (Justify if Quote is not the lowest)	LOWEST

REQUESTED BY

APPROVED BY

Executive Director's Signature Date

Fiscal Officers Signature Date

Appendix C

CERTIFICATIONS REGARDING LOBBYING; DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS; AND DRUG-FREE WORKPLACE REQUIREMENTS

Applicants should refer to the regulations cited below to determine the certification to which they are required to attest. Applicants should also review the instructions for certification included in the regulations before completing this form. Signature of this form provides for compliance with certification requirements under 34 CFR Part 82, "New Restrictions on Lobbying," and 34 CFR Part 85, "Government-wide Debarment and Suspension (Non-procurement) and Government-wide Requirements for Drug-Free Workplace (Grants)." The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Weatherization Assistance Program sub recipient determines whether to award the covered transaction, grant, or cooperative agreement.

1. LOBBYING

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 34 CFR Part 82, for persons entering into a grant or cooperative agreement over \$100,000, as defined at 34 CFR Part 82, Sections 82.105 and 82.110, the applicant certifies that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal grant or cooperative agreement;

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative agreement,

the undersigned shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;

(c) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, contracts under grants and cooperative agreements, and subcontracts) and that all sub-recipients shall certify and disclose accordingly.

2. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

As required by Executive Order 12549, Debarment and Suspension, and implemented at 34 CFR Part 85, for prospective participants in primary covered transactions, as defined at 34 CFR Part 85, Sections 85.105 and 85.110.

A. The applicant certifies that it and its principals:

- a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency
- b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property
- c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification
- d) Have not within a three-year period preceding this application had one or more public transaction (Federal, State, or local) terminated for cause or default; and

B. Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

3. DRUG-FREE WORKPLACE (GRANTEES OTHER THAN INDIVIDUALS)

As required by the Drug-Free Workplace Act of 1988, and implemented at 34 CFR Part 85, Subpart F, for grantees, as defined at 34 CFR Part 85, Sections 85.605 and 85.610 -

A. The applicant certifies that it will or will continue to provide a drug-free workplace by:

- a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition
- b) Establishing an on-going drug-free awareness program to inform employees about:

- 1) The dangers of drug abuse in the workplace
 - 2) The grantee's policy of maintaining a drug-free workplace
 - 3) Any available drug counseling, rehabilitation, and employee assistance programs
 - 4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace
- c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a)
 - d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will:
 - 1) Abide by the terms of the statement
 - 2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction
 - e) Notifying the agency, in writing, within 10 calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to: Director, Grants Policy and Oversight Staff, U.S. Department of Education, 400 Maryland Avenue, S.W. (Room 3652, GSA Regional Office Building No. 3), Washington, DC 20202-4248. Notice shall include the identification number(s) of each affected grant
 - f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted:
 - 1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended or
 - 2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

B. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

Check [] if there are workplaces on file that are not identified here.

4. DRUG-FREE WORKPLACE (GRANTEES WHO ARE INDIVIDUALS)

A. As a condition of the grant, I certify that I will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant; and

B. If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, I will report the conviction, in writing, within 10 calendar days of the conviction, to Director, Grants Policy and Oversight Staff, Department of Education, 400

Maryland Avenue, S.W. (Room 3652, GSA Regional Office Building No. 3), Washington, DC 20202-4248. Notice shall include the identification number(s) of each affected grant.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with all of the above certifications.

Printed Name

Title

Provisions Included in All Contracts
(2 CFR Part 200 Appendix II)

CAPCA includes all of the following provisions, as applicable, in all contracts charged to federal awards (including small purchases) with contractors and subgrants to grantees:

1. Contracts for more than the simplified acquisition threshold currently set at \$150,000, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
2. All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.
3. Equal Employment Opportunity: All contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with E.O. 11246, “Equal Employment Opportunity,” as amended by E.O. 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and as supplemented by regulations at 41 CFR Part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
4. Davis-Bacon Act, as amended (40 U.S.C. 3141-3148): When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by Sample Organization and its sub recipients must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144 and 3146-3148) and as supplemented by Department of Labor regulations (29 CFR part 5, “Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction”).
5. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR part 3). The Act provides that each contractor or sub recipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.
6. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include provisions concerning overtime pay and working conditions in compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5).

7. Rights to Inventions Made Under a Contract or Agreement: If the Federal award meets the definition of "funding agreement" under 37 CFR 401.2(a) and the recipient or sub recipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, the recipient or sub recipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organization and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the award agency.
8. Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended: Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251-13287). Violations must be reported to the federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
9. Debarment and Suspension (E.O.s 12549 and 12689): A contract award must not be made to the parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with E.O.'s 12549 and 12689, "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than E.O. 12549
10. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352): Contractors the apply or bid for an award exceeding \$100,000 must file the required certification that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. 1352.

Receipt and Acceptance of Goods

Upon receipt of any item from a vendor, the following actions shall be taken:

1. Verify the quantity of boxes/containers received with the bill of lading (if applicable).
2. Examine boxes/containers for exterior damage.
3. Note on the bill of lading any discrepancies (missing or damaged boxes/containers, etc.).
4. Remove the packing slip from each box/container.
5. Compare the description and quantities of goods received to the packing slip, and note any discrepancies on the packing slip.
6. Sign packing slip and forward to the Purchasing Agent for matching with the purchase order.

It is the policy of the agency to perform the preceding inspection procedures in a timely manner in order to facilitate prompt payment or return of goods and/or communication with vendors.

Policy 5202.00 Cash Disbursements
Check Preparation

It is the policy of the agency that invoices shall be paid in a timely manner, therefore, CAPCA will print vendor checks and expense reimbursement checks on a weekly basis. It is important that the agency maintains a good credit rating as well as avoid any finance charges for late payments. For this reason, it is important that any invoices received at a location other than the Administrative office be forwarded/scanned to the Administrative office immediately after being initialed for goods received or services performed.

All vendor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. All invoices for goods and services are received by the Bookkeeper and/or Purchasing Agent to determine that the charges are actually due and payable. All invoices shall be checked for accuracy and matched to a purchase order, if applicable.
2. A check authorization form is prepared, allocating the cost to the appropriate program accounts. The completed form with all supporting documentation is submitted to the Fiscal Officer for approval before the check is prepared.
3. Checks shall be prepared by accounting personnel who are independent of those who initiate or approve expenditures, as well as those who are authorized check signers.
4. All checks shall be utilized in numerical order.
5. Generally, all vendors shall be paid within 30 days of submitting a proper invoice after the delivery of requested goods or services.
6. Total cash requirements associated with each check batch is monitored by the Fiscal Officer in conjunction with the available cash balance in the bank prior to the release of any checks.
7. Checks shall never be made payable to "bearer" or "cash"
8. Checks shall never be signed prior to being prepared.
9. Upon the preparation of a check, vendor invoices and other supporting documentation shall be marked "paid" in order to prevent subsequent reuse.
10. All disbursements shall be made by check or direct deposit.
11. No advance payments shall be made for goods or services, unless it is absolutely required by the contract, for pre-paid subscriptions, or pre-payment would allow the agency to save money.
12. Two signatures are required for each check. The Governing Board has the authority to designate or change the authorized check signers. Authorized check signers are Executive Director, Early Childhood Director, Office Manager, Human Resource Director, Community Programs Director and Governing Board Chairperson.
13. Each check signer should check supporting documentation for all checks written. If at all possible, checks shall be placed in the mail the same day they are signed.
14. The check stub shall be attached to the invoice, purchase order, requisition and any other supporting documentation. These records shall be kept and filed in alphabetical order according to vendor, then by date written.
15. After obtaining signatures, checks are returned to the Bookkeeper to mail.
16. Individuals who authorize expenditures shall not mail checks.

Voided Checks and Stop Payments

Checks may be voided due to processing errors by making proper notations in the check register and defacing the check by clearly marking it as "Void" and removing the signature lines. All voided checks shall be retained to aid in preparation of the bank reconciliation.

If a check is reported lost, stolen or was not received, the Fiscal Officer or Payroll Administrator will verify with the bank that the check has not cleared. A stop payment will be issued and a new check authorized. The replacement check number will be documented on the voucher.

Record Keeping Associated with Independent Contractors

CAPCA shall obtain a completed Form W-9 from all vendors except for national chains such as Walmart and Home Depot. A record shall be maintained of all vendors to whom a Form 1099 is required to be issued at year-end. Payments to such vendors shall be accumulated over the course of a calendar year.

Policy 5203.00 Cost Allocation

Overview

As one of its financial management objectives, CAPCA strives to determine the actual costs of carrying out each of its programs. It is the policy of the agency that only costs that are reasonable, allowable and allocable to a program shall be charged to that program. All unallowable costs shall be appropriately identified in order to assure that unallowable costs are not charged to Federal and State awards.

Segregating Unallowable from Allowable Costs

The following steps shall be taken to identify and segregate costs that are allowable and unallowable with respect to each program.

The budget and grant or contract for each program shall be reviewed for costs specifically allowable or unallowable.

1. Accounting personnel shall be familiar with the allowability of cost provisions found in 2 CFR Part Section E, 400-475, Cost Principles, for federal programs particularly:
 - a) The list of specifically unallowable costs such as alcoholic beverages, bad debts, contributions, fines, penalties, finance charges, lobbying, etc.
 - b) Those cost requiring advance approval from Federal or State agencies in order to be allowable such as foreign travel, equipment purchases, etc.
2. All items of miscellaneous income or credits, including the subsequent write-offs of uncashed checks, rebates, refunds, and similar items, shall be reflected for grant accounting purposes as reductions in allowable expenditures if the credit relates to charges that were originally charged to a Federal or State award or to activity associated with Federal or State award. The reduction in expenditures shall be reflected in the year in which the credit is received (i.e., if the purchase that results in the credit took place in prior period, the prior period shall not be amended for the credit.)

Criteria for Allowability

All costs must meet the following criteria found in 2 CFR 200.402-411 Basic Considerations, in order to be treated as allowable direct or indirect costs under a Federal award:

1. The cost must be “reasonable” for the performance of the award, considering the following factors:
 - a) Whether the cost is of a type that is generally considered as being necessary for the operation of the agency or the performance of the award;
 - b) Restraints imposed by such factors as generally accepted sound business practices, arm’s length bargaining, Federal and state laws and regulations, and the terms and conditions of the award;
 - c) Whether the individuals concerned acted with prudence in the circumstances;
 - d) Consistency with established policies and procedures of the agency, deviations from which could unjustifiably increase the costs of the award.
2. The cost must be “allocable” to an award by meeting one of the following criteria:
 - a) The cost is incurred specifically for a Federal award;
 - b) The cost benefits both the Federal award and other work, and can be distributed in reasonable proportion to the benefits received; or
 - c) The cost is necessary to the overall operation of the agency, except where a direct relationship to any particular program or group of programs cannot be demonstrated.
3. The cost must conform to any limitations or exclusions of 2 CFR 200.421-475; Selected Items of Cost or the Federal award itself.
4. Treatment of costs must be consistent with policies and procedures that apply to both federally financed activities and other activities of the agency.
5. Costs must be consistently treated over time.
6. The cost must be determined in accordance with generally accepted accounting principles.
7. Costs may not be included as a cost of any other federally financed program in the current or prior periods.
8. The cost must be adequately documented.

Direct Costs

Direct costs include those costs that are incurred specifically for a program. Each expense shall be coded with the appropriate program number reflecting which program received direct benefit from the expenditure.

Shared Costs

Shared costs are those costs that either benefit more than one program or that is necessary for the overall operation of the agency.

Basis for Allocating Specific Costs

Salaries and Wages – Salaries and wages shall be charged based on an after the fact accountability of the activities performed by each employee. This may be done through an after the fact determination based on a logical method for accounting for time and duties. For Head Start centers, program and administrative staff that work in all Head Start programs, this is based on actual enrollment adjusted throughout the year.

Direct costs – The majority of the employees of CAPCA charge their time directly since their work is identifiable to a specific program.

Shared costs – The following staff's salaries are classified as administrative (serving all programs) and are allocated to programs based on accounting transaction counts and or number of employees.

- Executive Director
- Fiscal Officer
- Payroll Administrator
- Purchasing Agent
- Human Resource Director
- Human Resource Assistant
- Office Manager
- Technology Manager

Mixed Charges- the following employees may charge their salary cost to both direct and shared costs.

- Transportation/Training Coordinator
- Bookkeeper
- Technology Assistant

Compensated absences (annual leave, sick leave, and holiday pay) are considered part of salary costs. The accounting system of CAPCA records salaries associated with compensated absences as a direct cost.

Employee Benefits – CAPCA incurs cost for the following benefits:

- FICA
- Unemployment Insurance
- Workers' Compensation
- Health Insurance
- Retirement
- Life Insurance

The payroll accounting system of the agency allocates benefits associated with each employee in the same manner that salary cost for that employee is allocated.

Administrative office Costs – Those cost which are required to manage and administer the agency and which benefit all programs include but are not limited to:

- Copier
- Telephone
- Postage from postage meter
- Office supplies

- General supplies
- Equipment maintenance
- Equipment rental
- Printing
- Minor building maintenance
- Rent (common areas)
- Utilities

These costs shall be allocated directly or based on ratio of the number of transactions processed per month for each program. CAPCA labor costs are a direct indicator of a program's activity level and are a reasonable basis for allocation. Allocation percentages are adjusted when significant changes occur in direct labor percentages.

Administrative office Rent – Monthly rent expense shall be allocated based on approximate square footage of space utilized, as follows:

Direct Costs – The cost of space occupied by staff whose salaries are directly charged to programs is charged directly to those same programs.

Shared Costs – The cost of space will be allocated using a ratio of square feet occupied. The costs of space associated with common areas, such as hallways, restrooms and conference rooms, shall be accounted for as a shared cost based on direct number of transactions.

Center Costs - These costs shall be allocated by program based on the actual number of children enrolled.

These costs include but are not limited to:

- Rent
- Utilities
- Telephone
- Licenses
- Minor building maintenance

Local center allocation percentages are updated based on actual enrollment and completed on a quarterly basis.

Equipment, Major Renovation and Construction Costs – These cost will be charged to specific programs based on prior approval from funding sources.

Vehicle Maintenance – These costs are charged to the program that originally purchased the vehicle.

Supplies and Building Maintenance Costs - These costs are charged using the Center or Administrative office allocation, unless designated for a specific program or approved by the funding source.

Food Service Costs – CAPCA records cost associated with the agency’s food service program to the USDA Fund. These costs include but are not limited to salary and fringe of food service personnel, food costs, and supplies used in food preparation, and maintenance, etc. Any reimbursements received for food service are also recorded in the USDA Fund. Excess costs over the reimbursements received are allocated to programs receiving benefits from the USDA program in the same percentage as revenues associated with specific programs. These costs are allocated by program or fiscal year to achieve proper cutoff.

Food costs for adults associated with the agency’s programs, which are unallowable cost to the USDA program, are charged to agency programs based on the benefits received by that program. Meals served to adults in center-based programs are recorded on the meal count form prepared by the local food service personnel. A meal count spreadsheet is updated on a monthly basis and reviewed on a quarterly basis to determine the percentage of child versus adult meals.

Training, Travel, Other Expenses Associated with Employees - These costs are charged directly to the program benefiting from or necessitating the travel and/or training.

Services for Children and Families – Charged directly to the program that the child is enrolled in. All other direct services to families will be charged directly to the program that provides the needed service. Example: Weatherization, LIHEAP, Emergency Services, etc.
Vehicle Maintenance - These costs are charged to the program that originally purchased the vehicle.

Audit Fees – Cost of the financial statement audit shall be charged as shared cost and charged to programs based on percentage of transactions.

Legal Fees – Legal fees shall be charged directly to the program/function that benefits from the services. Legal fees that are not identifiable with specific direct grants or programs shall be charged based on percentage of transactions.

Insurance - To the extent that insurance premiums are associated with insurance coverage for specific grants or programs, those premium costs shall be charged directly. All insurance costs that are not identifiable with specific direct grants or programs (such as the agency’s general liability coverage) shall be charged as shared costs

Credits – The applicable portion of any credit resulting from cash discounts, volume discounts, refunds, write-off of stale outstanding checks, trade-ins, scrap sales or similar credits shall be credited in the same manner as the purchase that resulted in the credit.

Policy 5204.00 Payroll Administration

The agency workweek is from Saturday to the following Friday. Employees are paid bi-weekly (26 pay periods). All employees are required to clock in and out in the time and attendance

system. Hours tracked on exempt employees are for attendance purposes, not for calculation of payroll. Required staff will document activities performed on funding source requirements. For all employees, a personnel file is established and maintained with current documentation, as described throughout this section and more fully described in the agency's administrative manual.

The following forms, documents and information shall be obtained and included in the personnel files of all new employees:

- CAPCA Employment Application
- Applicant references (work/personal)
- Interview Ratings
- Form W-4 Employee Withholding Allowance Certificate
- State Employee's Withholding Certificate
- Copy of Social Security card issued by the Social Security Administration
- Starting Date
- Job title and starting salary
- Child Maltreatment Central Registry
- Criminal Record Check
- Proof of Education
- Acknowledgements for orientation, Administrative Manual and Substance Abuse Policy
- New Staff Orientation Checklist
- Standard of Conduct
- Performance Appraisals
- Driver's License
- I-9
- Health Insurance & Enrollment Form or proof of existing health insurance.
- Authorization of Direct Deposit
- Emergency Health Information.

The following documents are located in the Human Resource Department, if applicable:

- Resume
- FBI Record Check and Fingerprint Card
- Initial Health Exam
- TB Screening or assessment
- Request to Engage in Off Duty Employment
- Benefit enrollment/change forms

It is the policy of the agency that all of the following changes in payroll data are to be communicated by the Human Resource Director to the Accounting Department at the time of the occurrence.

- New Hires
- Terminations

A change to the salary or employee status is requested on a Change of Status form by the Program Director or a letter from Human Resources, initialed by the Program Director or Executive Director. The Executive Director approves the change after the Fiscal Officer has checked the budget to see if it is feasible.

Human Resource will add employees in the system. The Payroll Administrator is responsible for entering salary changes, making departmental changes, and terminating employees in the payroll system.

Voluntary payroll deductions must be authorized in writing to the payroll administrator. Any changes in income tax withholding must be entered into Proliant by the employee. The employee is responsible for ensuring all payroll information is current and accurate.

A health insurance application form should be completed within 60 days of employment. The employee must work a minimum of 30 hours per week to qualify for group health insurance.

If the employee elects to participate in the 401(K) Retirement Plan, they must complete 90 days of employment and work a minimum of 20 hours per week before being eligible for enrollment. Enrollment dates for the plan are January, April, July and October.

Payroll benefit deductions are made 24 times a year, with the exception of retirement deductions.

Court-ordered payroll deductions or garnishments shall be supported by a copy of the court order and deducted every pay period until debt is fulfilled.

Overtime and Compensatory Time

Policies 706.00 – 706.20 of the Personnel Policies will be followed.

Payroll Taxes

The Fiscal Officer or designee is responsible for ensuring all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. He/she is responsible for filing the required payroll reports with the federal and state government by the due date. This includes the payroll tax deposit, Quarterly 941, state unemployment and W-2. All reports must agree with supporting payroll documentation.

Withholding of federal income taxes shall be based on the most current Form W-4 prepared by each employee.

Preparation of Attendance and Activity Reports

The payroll for the entire agency is prepared at one time. It is important that the payroll not be held up for late timesheets or new employee information. Failure to submit changes to payroll information or to clock in and out daily may result in delayed paychecks.

Timesheets shall be prepared in accordance with the following guidelines:

- Each timesheet shall reflect all hours worked during the pay period.
- Timesheets will reflect the number of days worked.
- The reports must be completed by the individual employee or by a responsible supervisor who has first-hand knowledge of the activities performed by the employee.
- Errors shall be corrected by deleting the incorrect entry and filling in the correct entry.
- Designated employees must manually enter duties performed each day during the pay period.
- Compensated absences (annual, holiday, sick leave etc.) should be requested and approved in the time clock system before approving the timesheet.
- Annual leave must be approved by the supervisor as outlined in the Personnel Policies.
- Sick leave should be reported through the agency's time and attendance software. Employees who take three or more consecutive working days as sick leave must submit a doctor's statement, as outlined in the Personnel Policies.

It is the responsibility of the supervisor to verify all timesheets for accuracy and completeness before approving.

Processing of Timesheets

In the Accounting Department the payroll process is performed by the Payroll Administrator or his/her designee. He/she shall check all timesheets for mathematical accuracy.

All appropriate leave shall be verified in the payroll system and matched to the timesheet. When errors are detected in the mathematical accuracy of the timesheet, the Payroll Administrator or his/her designee shall note any corrections by placing his/her initials next to the correction.

Tampering with, altering, or falsifying time records, recording time on another employee's time record, or willfully violating any other timesheet policy or procedure, may result in disciplinary action, up to and including termination.

It is the responsibility of the Fiscal Officer or his/her designee to see that payroll checks are prepared in accordance to the personnel memo provided by Human Resource Director which includes salary, hours of work, number of months to work, and job title for new hires and other memos that may include transfers, salary increases, or other personnel action.

Review of Payroll

Upon production of all payroll reports, the Fiscal Officer, or his/her designee, shall review prior to distribution to employees.

Distribution of Payroll

Effective 1/2/08, all newly hired employees are required to participate in direct deposit of their compensation into a bank account or a debit payroll card.

Payroll payments (or check stubs for electronic deposits) shall be distributed by the Payroll Administrator or his/her designee, who does not approve timesheets, hire, or terminate staff.

All paystubs are available online in Proliant for review and/or printing. The employee is responsible for updating his/her mailing address in Proliant.

Reconciliation of Payroll Data

A Payroll Breakdown Worksheet is generated after each pay period, which summarizes employees' earnings by individual and by program.

The Payroll Administrator reconciles the payroll to the general ledger, at year-end, to the W-2s and the 941, and any discrepancies are reported to the Fiscal Officer. The Fiscal Officer reviews and approves the year-end reports prior to submission.

After the payroll has been processed, using the General Ledger Report and if needed, the Deduction/Benefit Report, a worksheet is developed which determines the amount for payroll federal taxes, state taxes, and other withholdings. All are paid biweekly, except for Arkansas state taxes, which are paid monthly, Louisiana state taxes, which are paid quarterly, and United Way, which is paid monthly.

Employee withholdings for FICA, Medicare, and federal income taxes withheld, along with the agency's matching share for FICA and Medicare, makes up the payroll tax deposit. A Sample Tax Payment Report worksheet is filled out, balanced and posted online to the Electronic Federal Tax Payment System.

The State Unemployment Insurance (SUI) is paid by the agency monthly or quarterly depending on state requirements on forms sent by the State. The Form 941 is also completed quarterly.

Insurance withholdings for insurance benefits are paid once a month. Retirement benefits withholdings are reconciled to the retirement benefits report and to the Plan Sponsor upload. Retirement withholdings are paid to the retirement plan biweekly.

SECTION 5300.00 SPECIFIC ASSET AND LIABILITY ACCOUNTS

Policy 5301.00 Cash and Cash Management

Cash Accounts

A. General Fund Checking Account (operating account): The primary operating account provides for routine business check disbursements.

B. CAPCA maintains interest-bearing bank accounts as required by funding sources. Closing or opening bank accounts require approval from the Finance Committee and the Board.

Authorized Check Signers

CAPCA's Governing Board shall designate the authorized check signers for the agency bank accounts.

Authorized Signers are:

- Governing Board Chairperson
- Executive Director
- Early Childhood Director
- Community Programs Director
- Human Resource Director
- Office Manager

Two signatures are required on all checks processed.

Bank Reconciliation

Each bank account of CAPCA will be reconciled within eight business days following receipt of the bank statement.

Bank Statements shall be printed out electronically and given to the Fiscal Officer. He/she will review checks for unusual items and initial the statement.

Actual reconciliation will be completed by the Fiscal Officer who does not record cash receipts or disbursements. Any reconciling items that carry over from a previous month are investigated. The Executive Director reviews and initials bank reconciliations monthly. The Governing Board Finance Committee reviews and initials all bank reconciliations.

The balance per bank shall be reconciled to the balance per books. Journal entries shall be made by the Fiscal Officer for any adjusting items as necessary. The bank statements and reconciliations shall be filed in chronological order in the Accounting Office.

Collateral Security of Funds

CAPCA requests collateral security from the financial institutions that have on deposit any federally funded programs such as Head Start, Early Head Start, Migrant and Seasonal Head Start, Community Service Block Grant, HEAP, ESG and Weatherization funding for the amount on deposit in excess of the \$250,000 federally insured threshold.

Stale Checks

For uncashed checks that are more than 3 months old, the Payroll Administrator will contact the payee to resolve the issue. After 6 months, if the matter cannot be resolved, the check will be written off the books.

All stale checks that are written off within the same fiscal year as they were written shall be credited to the same expense or asset account that was debited when the check was written, or the expenditure incurred. For stale checks written off in fiscal years subsequent to the year in which the check was written, the credit shall be to a corresponding expenditure account in the current fiscal year.

Petty Cash

It is Policy that CAPCA will not operate a Petty Cash fund.

Wire Transfers

The Executive Director and the Fiscal Officer, or their designee, shall be the only CAPCA employees authorized to transact wire transfers from CAPCA bank accounts.

Interfund Loans

The Fiscal Officer monitors cash flow needs on a daily basis to ensure that payment obligations can be met.

Funds from any federally funded program may not be loaned to another program to compensate for delayed or late payment from other funding sources, even on a temporary basis. CAPCA may loan non-federal, unrestricted agency funds to programs on a temporary basis, if necessary.

Interest Earned on Checking Accounts

Interest on the LIHEAP program will be reported to the funding source and will become part of any carry-forward fund balance and will be re-obligated for the subsequent grant period.

Policy 5303.00 Equipment

Definition

Any tangible non-expendable item that cost \$5,000 or more and has an estimated useful life of more than one year shall be considered equipment.

Equipment Records

Each equipment item purchased will be assigned an inventory number unique to that piece of equipment to facilitate physical inventory counts.

Original documents (invoice, check copy, bids, etc.) will be placed in the permanent inventory files in the Accounting Office.

Any location change, disposal or theft of equipment must be immediately reported to the Fiscal Officer. He/she will make a written report of lost, damaged or destruction of equipment to the

Executive Director and Program Director and request relief of liability. Copies of police reports for stolen equipment should be attached, if applicable.

All equipment purchased or donated shall be added to the equipment ledger monthly. When an item is added to the ledger, a description of the item, serial number, acquisition date, cost, location, inventory number and fund charged must be recorded. The Purchasing Agent is responsible for updating the inventory records.

Inventory Count

An annual physical inventory of all equipment and property with a unit cost of \$5000 or more. The condition of the items, location, inventory number, and serial numbers shall be recorded. The date of the inventory and signature of the person taking the inventory shall be noted on the Inventory Sheet.

Capitalization Policy

At the time equipment is purchased, the cost is expensed for grant purposes. At the end of the fiscal year, all equipment purchases are capitalized and depreciated for financial statement purposes.

Policy 5304.00 Prepaid Expenses

Procedures

As part of the account coding process performed during the processing of accounts payable, all incoming vendor invoices in excess of \$3,500 shall be reviewed for the existence of time-sensitive future benefits. If future benefits are identified, the payment shall be coded to a prepaid expense account code.

The prepaid expense account will be monitored monthly by the Fiscal Officer to transfer applicable cost to current expense accounts when appropriate.

Policy 5305.00 Accrued Liabilities

The Accounting Department shall establish a list of commonly incurred expenses that may have to be accrued at the end of the fiscal year. Some of the expenses that shall be accrued by CAPCA at the end of the fiscal year are:

- Salaries and wages
- Payroll taxes

In addition, the agency shall record a liability for deferred revenue (revenue received but not yet earned in accordance with the revenue recognition policies described elsewhere in this manual.)

Accrued Leave

As stated in the Personnel Policies and Procedures employees may carry forward up to 240 hours of unused annual leave from year to year. Such unused leave is payable to an employee upon termination of employment.

Annual leave is recorded as a liability for the period the leave is earned. Annual leave not taken at the end of the year is then accrued as a liability for the period.

Leave that does not “vest” with employees (i.e. leave that is not paid to employees if unused at the time of termination of employment), such as sick leave, shall not be accrued as a liability of the agency.

SECTION 5400.00 FINANCIAL AND TAX REPORTING

Policy 5401.00 Financial Statements

Program and Year-End Closing

The fiscal year end is March 31 of the given year for CAPCA and Regional Head Start. For financial reporting purposes, CAPCA’s books must be closed at the March 31 fiscal year end. CAPCA’s programs have various year-ends. Therefore, grant accounting records are closed and reports are filed as required throughout the year.

Programs should also be closed at their respective program year-end to ensure proper reporting of revenue and expenses to program authorities. Note that CAPCA has 90-days to complete the spending for a program year in Regional and Migrant and Seasonal Head Start Programs.

The objective of the year end closing is to ensure that expenses and revenues related to that fiscal or program year are properly captured and reported in that year. As such, expenses incurred but not yet billed or paid by CAPCA must be accrued at these year-ends.

Any audit adjustments or entries after the date of the fiscal or program year-end will be recorded with the date of the year-end. In no circumstances will these audit or accrual entries be posted to months other than the last month of the fiscal or program year-end.

Likewise, revenue resulting from services rendered where collectability is reasonably assured should also be accrued.

Annual Financial Statements of the Agency

The annual financial statements of the agency are maintained on an agency-wide basis shall include:

- Statement of Assets, Liabilities and Net Assets – reflects assets, liabilities and net assets of the agency and classifies assets and liabilities as current or long-term.
- Statement of Support, Revenue, Expenses and Changes – presents support, revenues, expenses, and other changes in net assets of the agency, by program.
- Statement of Cash Flows – reports the cash inflows and outflows of the agency.

These financial statements are prepared on a regulatory basis in conformity with the accounting principles prescribed by the U.S. Department of Health and Human Services, 45 CFR Part 75 and the Arkansas Department of Health and Human Services.

Monthly Financial Statements of the Agency

The Fiscal Officer, along with the Accounting Department Staff, is responsible for generating the monthly financial reports for the agency.

Non-routine journal entries and adjusting entries to the books shall be approved by the Fiscal Officer. At the end of the month, a report of all journal entries will be printed. The Fiscal Officer will review the entries and supporting documentation, and initial the listing indicating approval.

Statements of income and expense by grant and for the entire organization shall be printed monthly. The reports shall be maintained on file in the Accounting Department. Other reports are printed upon request by program managers and the Board.

Total funds budgeted by grant and line item account shall be compared to actual expenditures monthly and variances over/under budget shall be analyzed. This information shall be shared with the Executive Director, Program Directors and appropriate Program Coordinators monthly. A monthly financial summary shall be submitted to the Governing Board and each Policy Council.

Policy 5402.00 Government Returns Filing of Returns

It is the policy of the agency to become familiar with the obligations in each jurisdiction and to comply with all known filing requirements. The Fiscal Officer shall be responsible for identifying all filing requirements and ensuring that the agency is in compliance with all such requirements.

It is also the policy of the agency to file complete and accurate returns with all authorities. CAPCA shall make all efforts to avoid filing misleading, inaccurate, or incomplete returns.

Filings include, but are not limited to, the following returns:

- Form 990 – Annual information return of tax-exempt organizations, filed with the IRS. Form 990 for CAPCA is due on the fifteenth day of the fifth month following year-end (Aug 15). This form is prepared by the Auditor.
- Form 5500 – Annual return for CAPCA employee retirement plan. Form 5500 is due on the last day of the 7th calendar month after the end of the plan year (October 31). This form is prepared by Third Party Administrator.
- W-2's and 1099's – Annual report of employee and non-employee compensation, based on calendar-year compensation, on a cash basis. These information returns are due to employees and independent contractors by January 31 and to federal government by February 28. W-2's are prepared by the Payroll Administrator. 1099's are prepared by the Purchasing Agent.

- Form 941 – Quarterly payroll tax return filed with the IRS to report wages paid to employees and federal payroll taxes. Form 941 is due by the end of the month following the end of each quarter.
- State Payroll Tax – It is the policy of the agency to comply with all state payroll tax requirements by withholding and remitting payroll taxes to the State of Arkansas.
- State Unemployment – It is the policy of the agency to complete an Employee
- Contribution report that reflects wages and taxable income to the Employment Security Division. These reports and payments are due 30 days after the calendar quarter ends.

Public Access to Information Returns

CAPCA is subject to federal requirements to make the following forms available to all members of the general public:

- The three most recent annual information return (Form 990), excluding the list of significant donors (Schedule B) that is attached to the Form 990, but including the accompanying Schedule A, and
- CAPCA's original application for recognition of its tax-exempt status file with the IRS, and all accompanying schedules and attachments.

It is policy to adhere to the following guidelines in order to comply with the preceding public disclosure requirements:

- Anyone appearing in person at the administrative office during normal working hours making a request to inspect the forms will be granted access to a file copy of the forms. The Office Manager shall be responsible for maintaining this copy of each form and for making it available to all requesters.
- The copying cost charged for providing copies of requested forms shall be \$1.00 for the first page copied and \$0.30 for each subsequent page. All copies shall be shipped to requesters via Priority Mail, at their expense payable at the time of the request.
- For request for copies made in person during normal working hours, copies shall be provided while the requester waits, if possible.
- For all written requests for copies of forms received, the agency shall require pre-payment. The requester is notified of this policy via phone call or by letter within 7 days of receipt of the original request.
- After payment is received, all requested copies shall be shipped to requesters within 30 days. Making of all copies and shipping within the 30-day time period shall be the responsibility of the Accounting Department.

SECTION 5500.00 FINANCIAL MANAGEMENT

Policy 5501.00 Budgets

Head Start, Early Head Start and Migrant/Seasonal Head Start Budget

The Community Assessment will be reviewed by the management staff in order to determine the appropriate location and size of each local program. This information, along with the

previous year's actual expenditures, will be discussed with the Early Childhood Team, Executive Director, Head Start Policy Council, or the Migrant/Seasonal Head Start Policy Council, and the Governing Board.

A draft budget shall be presented to the Early Childhood Director, as well as the Executive Director, for discussion, revision and initial approval. The budget is presented to the Head Start Policy Council or Migrant/Seasonal Policy Council and the Governing Board for review, recommendations, and final approval.

The Early Childhood Director, Executive Director, and/or Fiscal Officer will have interaction with the agency's federal grant specialist from the Regional Offices in the budget preparation process.

The grant application requires submission to the Arkansas Clearinghouse for comments.

Required changes to the budget revisions will be submitted to the proper OHS Grants Office with prior approval from the Head Start Policy Council or the Migrant/Seasonal Head Start Policy Council and the Governing Board.

Policy 5501.10 All Other Budgets

It is the responsibility of the Fiscal Officer, to prepare budgets for all programs operated by the agency.

As the first step in the budget process, the Community Assessment and past expenditures will be reviewed. In addition, Governing Board members will provide input in order to determine funding needs for the upcoming program year. It is then the Fiscal Officer's responsibility to determine whether these funding needs can be met within the budget perimeters of each individual funding source. If the needs cannot be met, he or she will return to the Executive Director and Program Director with suggestions as to how the budget might be cut. The final decision on such cuts, however, will rest with the Executive Director and Program Director, as long as: (a) the final budget falls within the perimeters of the funding source and (b) the budget stays in line with general agency policy, such as the overall agency payroll schedule.

It is the policy of the agency that each grant accepted by this agency shall be self-sufficient; that is, each program shall bear the full burden of the costs necessary to operate the program. If the proposed budget cannot bear its full costs, the Fiscal Officer must verify that other funds are available for such additional costs and the Executive Director and/or Governing Board must concur in committing those funds for such a purpose.

Because programmatic and budgetary decisions are so closely related, it is necessary that communication be maintained between the Executive Director, Program Directors and the Fiscal Officer. Any programmatic change, which would affect the budget or vice versa should be communicated immediately to all concerned.

All budget proposals submitted by the agency shall be approved by the Governing Board and documented in the minutes.

Policy 5501.20 Monitoring Performance

It is the policy of the agency to monitor its financial performance by comparing and analyzing actual results with budgeted amounts. This function shall be accomplished in conjunction with the monthly financial reporting process.

Financial data shall be related to performance data in an annual report published each year. Cost to provide services per child shall be developed for each program providing services to children. Other unit cost information shall be developed by the Fiscal Officer as needed, or whenever practical.

Policy 5501.30 Agency Emergency Services Policy-Budget

CAPCA utilizes three-digit program codes to distinguish between various programs and funding sources. Regular CSBG funds are tracked using one program code, and CSBG CARES Act funds are tracked under a completely separate program code. The budget and corresponding revenues and expenditures for each program are keyed under the designated code. Budget to actual reports are ran based on the program code for the desired program.

Policy 5502.00 Audits

Role of the Independent Auditor

It is the policy of the agency to arrange for a single agency audit of the agency's financial statements to be conducted by an independent Certified Public Payroll Administrator each fiscal year based on requirements as outlined in Uniform Guidance 200.501. In addition to completing the audit report, the CPA firm will assist with completion of the Data Collection Form for Reporting on Audits of States, Local Governments and Non-Profit Organizations (Form SF-SAC).

Selection of the CPA Firm

The Governing Board is responsible for hiring of an independent CPA firm to complete the annual audit. The Board shall review the selection of the CPA Firm every 5 years to ensure competitive pricing and a high quality of service.

The following factors shall be considered in selecting the CPA Firm:

- The firms' reputation in the nonprofit community.
- The depth of the firms' understanding of and experience with not-for-profit organizations and federal reporting requirements under Uniform Guidance 2 CFR 200 Subpart F Audit Request.
- The firm has demonstrated ability to provide the services requested in a timely manner.
- The ability of firm personnel to communicate with CAPCA's management and accounting personnel in a professional and congenial manner.

- The audit firm must meet state licensing requirements, the applicable independence standard, and comply with applicable requirements for peer review and continuing professional education.

A Written Request for Proposal (RFP) will be sent to prospective audit firms and shall include the following information:

- Introductory information about the agency
- List of programs to be audited, with the number of funded slots, budget amounts and matching requirements
- Nature of the services required
- Previous audit finding or questioned costs
- Qualifications of the audit firm
- Term of the engagement
- Accounting Department assistance availability
- Reports to be included in the audit report
- Requirements for the contractual agreement
- Timing, report review, number of report copies required, and exit interview
- Working papers retention requirements
- Proposal evaluation criteria
- Due date, mailing addresses and contact person

Minimum Proposal Requirements from prospective CPA firms shall be:

- The Audit firm must demonstrate the experience necessary to conduct this audit.
- Key personnel must have the education and experience in conducting audits of non-profit organizations specializing in childcare or related services.
- The audit firm must meet state licensing requirements, the applicable independence standard, and comply with applicable requirements for peer review and continuing professional education.
- The firm must demonstrate a record of responsible work.
- The firm must be willing to provide technical assistance to the agency.

In order to narrow down the proposals to the top selections, the Fiscal Officer shall rank proposals based on criteria as outlined in the RFP. The ranking and copies of all proposals shall be reviewed by the Executive Committee of the Governing Board. Final interviews of each firm are conducted by the Executive Committee, Executive Director and Fiscal Officer, who makes the final recommendation to the full Governing Board for approval.

Preparation for the Annual Audit

Designated Employees shall be actively involved in planning and assisting the independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that

regard, the Accounting Department shall provide assistance to the independent auditors in the following areas:

Planning – The Fiscal Officer is responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. Assignments shall be based on the list of requested schedules and information provided by the independent accounting firm.

Involvement - The accounting department will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.

Interim Procedures – To facilitate the timely completion of the annual audit, the independent auditors may perform selected audit procedures prior to CAPCA's year-end. By performing significant portions of audit work as of an interim date, the work required subsequent to year-end is reduced. Employees will assist as much as possible in order to provide requested schedules and documents and to otherwise assist the auditors during any interim audit fieldwork that is performed.

Throughout the audit process, it shall be the policy of the agency to make every effort to provide schedules, documents, and information requested by the auditors in a timely manner.

Concluding the Audit

Upon receipt of a draft of the audited financial statements of the agency from its independent auditor, the Fiscal Officer shall perform a detailed review of the draft, consisting of the following procedures:

- Carefully read the entire report for typographical errors
- Trace and agree each number in the financial statements and accompanying footnotes to the accounting records and financial statement
- Review each footnote for accuracy and completeness

Any questions or errors noted as part of this review shall be communicated to the independent auditor in a timely manner and resolved to the satisfaction of the Executive Director and Fiscal Officer.

It shall also be the responsibility of the Executive Director and Fiscal Officer to review and respond in writing to all management letters or other internal control and compliance report findings and recommendations made by the independent auditor.

Distribution of the Audit Report

A representative from the Auditing Firm shall present the audit report to the Governing Board at the first regular scheduled meeting following the issuance of the report.

Audit reports shall be mailed to all required funding sources in a timely fashion after the issuance of the report. Audit reports shall be kept on file in the Accounting Department. Any audit findings shall be addressed and audit recommendations shall be implemented.

Any programmatic audits shall be kept on file in the Accounting Department in the appropriate grant file.

AUDIT RESOLUTIONS (OFFICE OF COMMUNITY SERVICES)

If there should be any findings, recommendations, observations, or questioned costs in the annual audit reports submitted to the Office of Community Services, it is the responsibility of the Accounting department, Executive Director and Program Director to respond to the Office of Community Services within (30) thirty calendar days from the date OCS notifies the agency of its findings and recommendations.

It is noted that CAPCA may take exceptions to particular findings and recommendations, but the rationale for such exceptions should be clearly set out in the response. The response should point out corrections already made and state what action is proposed and the estimated completion date of such action. All documentation supporting actions taken must be available for review.

Appeal Process for Disallowed Expenditures

A written appeal for disallowed expenditures shall be made within (30) thirty days of the notice of disallowance and shall contain a clear statement of the issue(s) in which the agency wishes to have considered.

OCS should offer the agency an informal hearing conducted by OCS Assistant Director or his/her designee. The decision on the appeal shall be made in writing within (30) thirty days of the hearing and is final.

The agency is allowed legal counsel during the course of the appeal. CAPCA has the right to appeal this decision to the Circuit Court of any county in which we are located or do business, or to the Circuit court of Pulaski County. This request must be filed within (30) days of receipt of appeal decision.

All final disallowances shall be satisfied within (90) ninety days of the date of notification. Cash payments may be made to OCS, unless CAPCA has received written notice allowing an alternative means of notification. Failure to satisfy a final disallowance or take corrective action to remedy deficiencies in the accounting system and internal controls after the audit may result in corrective action, suspension, termination of status as an eligible entity, or other remedial action.

NOTE: OCS has the right to bring suit or take other appropriate legal action to recover amounts in question.

Policy 5503.00 Insurance
Overview

It is the policy of CAPCA to maintain reasonable and adequate insurance coverage for all of the following categories:

- Building and contents/general liability
- Child, staff and volunteer accident
- Vehicle collision and liability
- Fidelity Bonding
- Board and employee practice (D&O)
- Workers' Compensation
- ERISA Coverage for Retirement Plan
- Cyber Liability/Crime

Insurance policies are maintained by the Fiscal Officer and updated annually.

Claim Processing

Workers' Compensation claims are processed by the Human Resource Director.

Accident claims for any enrolled children injured during agency activities are processed by the Facilities Supervisor. An accident report, insurance claim signed by the parent/guardian, and the bill from the medical facility are required for processing.

Copies of claims processed resulting in a refund for the agency are forwarded to the Accounting Department.

All other claims will be processed by the Accounting Department after consulting with the Program Directors.

SECTION 5600.00 FEDERAL AWARDS

Policy 5601.00 Administration of Federal Awards Preparation and Review of Proposal

The Executive Director, along with Program Directors, is responsible for preparing proposals for projects that the agency intends to pursue. All proposals shall be reviewed by the Executive Director prior to submission to government agencies or other funding sources. The Fiscal Officer shall prepare and/or review the proposed budget. Final proposals shall be reviewed and approved by the Governing Board. The Head Start Policy Council shall review and approve all proposals for the Head Start and Early Head Start, and the Migrant/ Seasonal Policy Council shall review all Migrant/Seasonal Head Start proposals.

The Board authorizes the Executive Director to sign all contracts on behalf of the agency.

Post-Award Procedures

After an award has been made, the following steps shall be taken:

- Verify the specifications of the grant or contract. The Executive Director and Fiscal Officer shall review the terms, time periods, award amounts, and expected expenditures associated with the award. A Catalog of Federal Domestic Assistance (CFDA) number shall be determined for each award. All reporting requirements under the contract or award shall be reviewed. The Executive Director, Fiscal Officer and Program Director responsible for the award shall initial and date the signed award.
- The Fiscal Officer shall create a new fund number and any necessary general ledger account numbers. New accounts shall be established for the receipt and expenditure categories in line with the grant or contract budget.
- A file is established for each grant or contract. The file contains the proposal, all correspondence regarding the grant or contract, the final signed award document and all reports submitted to the funding sources. The Fiscal Officer shall maintain the grant files.

Compliance with Laws, Regulations, and Provision of Awards

CAPCA recognizes that as a recipient of Federal funds, the agency is responsible for compliance with all applicable laws, regulations, and provision of contracts and grants. To ensure the agency meets this responsibility, the following policies apply with respect to every grant or contact received from a federal agency:

- The Agency shall take the following steps to identify all applicable laws, regulations, and provisions of each grant and contract:
 - Read each award and summary of key compliance requirements and references to specific laws and regulations.
 - The Executive Director and/or Fiscal Officer shall identify and communicate any special changes in policies and procedures necessitated by federal awards as a result of the review of each award.
 - The Executive Director and/or Fiscal Officer shall take all reasonable steps necessary to identify applicable changes in laws, regulations, and provision of contracts and grants. Steps taken in this regard shall include, but not be limited to, reviewing subsequent grant and contract renewals, and communications with federal awarding agency personnel.
 - The Fiscal Officer shall cooperate with the agency's independent auditors by informing the CPA firm as to applicable laws, regulations, and provision of contracts and grants, and communicating known instances of noncompliance with laws, regulations and provision of contracts and grants to the auditors.

In accordance with 2 CFR 200.32 Financial Management, it is the policy of CAPCA to maintain a financial management system that provides for accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements of Uniform Guidance and/or the award.

Development and Administrative Costs

Any administrative or development cost charged to federal programs must be necessary and of benefit to the program. Administrative cost for the Head Start, Early Head Start and

Migrant/Seasonal Head Start programs shall not exceed 15% of the total cost unless a waiver has been granted. Community Services Block Grant, Weatherization, and Low-Income Home Energy Assistance Program administrative costs will not exceed 10% of the total cost of each program. Administrative costs shall be tracked monthly for compliance by the Fiscal Officer.

CAPCA operates other federal awards that have limited restrictions on administrative cost. Each award will be reviewed to ensure all regulations are followed.

Non-Federal Share

The Federal Assistance Award for the Head Start, Early Head Start and Migrant/ Seasonal Head Start programs shall not exceed 80% of the total budget, unless a waiver has been granted.

Budget and Program Revisions

It is policy to request prior approval from federal awarding agencies for any of the following program or budget revision requiring prior written approval.

- Change in the scope or objective of the project or program, even if there is no associated budget revision requiring prior written approval.
- Change in some key personnel (Executive Director, Early Childhood Director, Fiscal Officer, Human Resource Director) specified in the application or award document.
- The absence for more than three months, or a 25% reduction in time devoted to the project, by the approved Center Manager.
- The need for additional federal funding.
- The inclusion, unless waived by the federal awarding agency, of cost that require prior approval in accordance with 2CFR Part 200 Subpart E, Cost Principles.
- Transfer of funds allotted for participant support cost to other categories of expense.
- Transfer of funds allotted for equipment, construction or major renovation.
- Changes in approved cost sharing or matching provided by CAPCA.
- The Governing Board (and Policy Council for Head Start), will be notified of budget changes requiring funding source approval.

Close Out of Federal Awards

The agency shall follow the close out procedures described in Uniform Guidance and in the grant agreements as specified by the granting agency.

The agency shall liquidate all obligations incurred under the grant or contract within 90 days of the end of the grant or contract agreement.

Policy 5602.00 Matching Funds

It is policy to claim contributions as meeting a matching requirement of a federal or state award based on the following criteria:

- Matching requirements can be met either by cash or in-kind contributions. Cash will not be counted as in-kind until it is actually spent on an allowable program cost.

- Unless provided under the grant document, a matching requirement may not be met by cost borne by another grant. In-kind matching funds may not count towards satisfying a matching requirement for two different grants.
- Contributions are allowable under 2 CFR subpart E, Cost Principles and conform to all provisions of CFR Part 200.
- The value placed on in-kind match shall be fair and reasonable.
- Services provided by individuals shall be valued at rates consistent with those ordinarily paid for similar work at CAPCA. If CAPCA does not have employees performing similar work, the rates shall be consistent with those ordinarily paid by other employers for similar work in this area. A list of rates to be used will be maintained by the Fiscal Officer.
- Contributions of consumables shall be valued at the market value at the time of donation.
- Contributions of space shall be based on independent certified appraisals of the space. Appraisals shall be updated every three to five years or unless market values of property change drastically. The value of donated space shall not exceed the fair rental value of comparable space as established by an independent certified appraisal of comparable space and facilities in a privately-owned building in the same locality.
- In-kind contributions shall be recorded on the appropriate forms (AD0015 and
- AD0016) by each location. Supporting documentation and forms shall be turned in weekly to the administrative office. Monthly reports will be sent to all locations. Actual in-kind totals are posted in each location for parents to review.
- The Purchasing Agent shall post in-kind totals to the General Ledger monthly.

YEAR	GRANT NAME	SOURCE	BUDGET AMOUNT	EXPENDITURE AMOUNT
2021-2022	Region XII Head Start Grant - ARPA	Federal - HHS	\$ 190,244.00	\$ 3,906.57
2021-2022	Region VI Head Start Grant - ARPA	Federal - HHS	\$ 615,001.00	\$ 251,177.15
2021-2022	Low Income Home Energy Assistance Program Grant - ARPA	Sub-Grantee through the State - HHS	\$ 1,168,423.19	\$ 1,168,423.19