

POLICY The Poverello Center, Inc. maintains a financial management system in full compliance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at **2 CFR Part 200** (as modified for HHS grants at **2 CFR Part 300**), as well as all Ryan White HIV/AIDS Program (RWHAP) requirements. The system provides for accurate, current, and complete disclosure of the financial results of each federally supported activity, effective internal control over all funds, assets, and property, and safeguards against fraud, waste, and abuse.

PROCEDURE

I. General Standards

A. All financial transactions shall be recorded in the agency's current accounting software (QuickBooks) in a manner that permits preparation of reports required by federal and state awards and tracing of funds to a level of expenditure adequate to establish that funds were used in accordance with grant terms (**2 CFR §§200.302–303 and 300.101**).

B. Written procedures exist for determining allowability, allocability, and reasonableness of costs in accordance with 2 CFR Subpart E (re: Cost Principles) and the RWHAP National Monitoring Standards (**2 CFR §§300.400–413**).

C. Segregation of duties is maintained so that no single individual has complete control over any financial transaction from beginning to end.

II. Internal Controls

A. Pre-approval of Expenditures

1. All expenditures require prior approval by the appropriate Program Manager/Director and the CEO (or designee).
2. Purchases over \$5,000 require two signatures; purchases over \$15,000 or contracts of three years or more require prior Board approval.

B. Cash Receipts and Bank Reconciliations (see also Policy #1.4)

3. Bank statements are reconciled by the 15th of the following month by a person independent of cash handling.
4. Reconciliations are reviewed and initialed by the CEO or Board Treasurer.

C. Check, Electronic Payment, and Credit Card Controls (see also Policies #1.5 and #1.6)

5. Checks over \$5,000 require two authorized signatures.
6. Voided checks are logged in QuickBooks, defaced, and retained in the accounting safe.
7. Credit card receipts are matched to statements monthly and reviewed by the CEO.

D. Cash Management

8. Ryan White funds are drawn down only to meet immediate cash needs (minimized time between drawdown and disbursement).
9. RWHAP funds received shall be expended or properly obligated within 120 days of receipt.

III. Budgetary Control

- A. Actual expenditure is compared to budgeted amounts for each federal award at least quarterly.
- B. The CEO and Board of Directors receive monthly financial statements that include budget-to-actual comparisons for all restricted grants, including RWHAP Part A and EHE.

IV. Property Management

- A. Equipment purchased with federal funds remains titled to the federal government until properly disposed of in accordance with 2 CFR §200.313.
- B. A physical inventory of equipment is conducted at least every two years and reconciled to the property records.

V. Records Retention Financial records, supporting documents, statistical records, and all other records pertinent to a federal award are retained for a minimum of three years from the date of submission of the final expenditure report, or longer if any litigation, claim, or audit is started before the expiration of the three-year period (2 CFR §200.333).

VI. Compliance with Federal Prohibitions and Requirements

- A. Ryan White funds shall not be used to supplant existing state, local, or other funding sources (2 CFR §200.501).
- B. Ryan White funds shall not be used for syringe/needle exchange, lobbying, broad fundraising events, construction, PrEP/PEP medications, or any other expenditure prohibited by the RWHAP legislation or annual appropriations acts.

VII. Monitoring and Oversight

- A. The CEO or designee shall review internal control procedures annually and update this policy as necessary.
- B. Any identified weaknesses are reported immediately to the Board of Directors and corrected within 60 days.

Approvals:


Signature

11/27/25
Date

Thomas S. Pietrogallo, Chief Executive Officer

Date Established: 06.08.2016

BOD Approved Date: 6.22.2016

Date Revised: 06.08.2016; 07/08/17; 11/27/2025
