

**Philadelphia HIV Integrated Planning Council
Finance Committee
Meeting Minutes of
Thursday, April 7, 2022
2:00-4:00 p.m.**

Office of HIV Planning, 340 N. 12th Street, Suite 320, Philadelphia PA 19107

Present: Mike Cappuccilli, Keith Carter, Alan Edelstein (Co-Chair)

Staff: Beth Celeste, Mari Ross-Russell, Sofia Moletteri, Elijah Sumners

Guest: Ameenah McCann-Woods, Melanie Mercado

Call to Order: A. Edelstein called the meeting to order at 2:04 PM.

Approval of Agenda: A. Edelstein presented the April 2022 Finance Committee agenda for approval. Motion: K. Carter motioned to approve, M. Cappuccilli seconded to approve the April 2022 agenda. **Motion passed:** 2 in favor, 1 abstained.

Approval of Minutes (*March 3, 2022*): A. Edelstein presented the March 2022 meeting's minutes for approval. Motion: K. Carter motioned to approve the minutes, M. Cappuccilli seconded to approve the February 2022 meeting minutes. **Motion passed:** 2 in favor, 1 abstained.

Report of Co-Chairs

A. Edelstein commended M. Ross-Russell's 1-pager for the 3rd Quarter Spending report and said that it was informative for the members not in the Finance Committee.

Report of Staff

M. Ross-Russell reported that the partial award from the Recipient was still not yet disbursed.

Discussion Items

-Budget Process Description-

M. Ross-Russell reported the OHP HIPC Support Budget Process. She stated that the Planning Council reviewed and was responsible for the funding of the services and the Recipient was responsible for the administrative aspects. M. Ross-Russell reported that the budget amount was initially tied to the 5% increase and 5% decrease annual allocation budgets, reviewed by the Finance Committee, and subsequently approved by the HIV Integrated Planning Council. In addition, the current percentage has been consistent for the past 15 years at approximately 2.4%, a decrease from 2.7% at its highest. M. Ross-Russell provided additional background information to the Committee and stated that the Planning Council support budget, which could not exceed 5%, was separate from administrative costs. The most recent reauthorization was several years ago and the Planning Council Support Budget was shifted into the Administrative costs, which allowed the Recipient to have greater input into the planning body expenditures. The combined cost was not to exceed 10% for Administrative Costs.

M. Ross-Russell stated that once funding awards were provided to the Recipient by HRSA/HAB the final administrative allocation discussions start, the planning body would be responsible for the allocation of Ryan White Part A service funds system-wide expenditures must be determined first. The process would begin with the development of the system-wide expenditures which were provided to the Finance Committee and OHP by the Recipient. The calculation for service dollars based on each HIPC deliberation, from the previous year was to be incorporated into the allocations process. M. Ross-Russell continued that the systemwide expenditures were subtracted from the total award and the regional percentages were determined based on each of the three regions' proportion of the epidemic.

M. Ross-Russell reported that the Recipient was allowed 10% of the total award for Administrative Costs and 5% for Quality Management. The Planning Support Budget is part of the Administrative Cost allocation. According to the budget, the 10% also included systemwide coordination, grantee administration, and capacity building. Once the Recipient received the award, some discussion related to the Planning Council budget and any line-item change requirements could occur. For example, this budget cycle indirect costs would be handled differently than in the past, with each funded organization needing to include 9.2% PHMC indirect within the budget. As a result, discussion regarding the minimum amount OHP needed to maintain the status quo would occur. Lastly, M. Ross-Russell stated that a preliminary planning support budget was crafted and presented in a joint meeting of the Finance and Executive committees to save time and expedite the process.

M. Cappuccilli asked regarding the portion of the budget that stated "... preliminary planning support budget was crafted and presented in a joint meeting of the Finance and Executive committees" if that had been happening the last several years or was this to prepare the group for changes moving forward? M. Ross-Russell replied it was from this point forward. A. Edelstein stated that the idea behind it was to eliminate extra steps and through combining the Executive and Finance Committee meetings it could help HIPC work more cohesively. K. Carter asked if this joint meeting would take place during next month's Finance Committee meeting time? M. Ross-Russell answered that the joint meeting would take place once OHP received the final award because at the moment OHP has only received the partial award.

M. Ross-Russell reported that further deliberations regarding the Planning Council Support Budget may occur within this joint meeting, so any additional concerns may be resolved. When the planning budget support award letter is sent to PHMC; as OHP's fiscal agent the review of budget line items for supplemental and formula would occur with the account manager assigned to OHP by the agency. M. Ross-Russell reported that discussion about the line-item direct costs, personnel costs, etc. happened at this stage. Additionally, budget creation was historically based on a review of the general journal and the detailed general ledger. Once the budget amounts were agreed by the Finance Committee based on the joint committee budget discussion, the award budget is presented to the HIPC for review, finalized, and returned to the recipient. Lastly M. Ross-Russell stated if additional discussion, negotiations, or changes were needed then this happens between the recipient, fiscal agent, and the appropriate HIPC subcommittee either Finance or Executive and OHP.

A. Edelstein asked M. Ross-Russell if there was a requirement that the Planning Council had to actually approve the budget? M. Ross-Russell answered that one of the project officer's comments was that the Planning Council should be involved in the approval of the planning support budget or involved in the discussion. She continued by stating that as a group, both in the planning council meeting as well as the Finance committee, concluded that reviewing the budget was fine, but there was a line that members did not feel comfortable crossing. M. Ross-Russell stated that the budget hasn't changed significantly and while amounts have changed, due mostly in part to the OHP budget rising and falling with the award. She stated that if there was less money in the final award from HRSA than OHP's budget would also reflect a reduction.

A. Edelstein stated that when the Planning Council approved the budget for the new fiscal year, they were also approving the top line number for Planning Council support because that figure was embedded in the complete budget. M. Cappuccilli added that because it was embedded in the budget did people know what they were approving? A. Edelstein responded that through this process of review it was providing more transparency to the budget. He stated that because it was not teased out as a discrete budget with a lot of line items, a total, etc. M. Ross-Russell responded to A. Edelstein's point by stating that when the system-wide budget is approved, the Planning Council Support Budget is as well because it is part of when the administrative costs were approved. The final amount was not determined until after the award and the calculations were completed, that was when things could get final approval.

M. Ross-Russell reported that the rest of that process was to look specifically at the line items because sometimes it fluctuated, which happened as a result of the changes from the award amount and the amount that was given to the Planning Council support budget. She continued that the next step in the process would be to look at the detailed general ledger and general journal to see if the amount decreased where there may have been some flexibility based on historic spending. If the amount increased, then it was the area where additional funding was needed. M. Ross-Russell stated this year was probably going to have greater expenditures because of the community survey, and those changes were discussed amongst the Finance committee.

M. Ross-Russell reported that PHMC and the way that the 9.2% indirect costs have been listed was different and that was changed. She stated that there were line-item changes and there were things that changed periodically because the Office of Management and Budget said that this was either an allowable cost or not. Despite the policy clarification notices that come out periodically, OHP will get notices from HRSA about various changes related to what funds can and cannot be used for. Although it did not happen frequently, it was important to include it in the overall discussion. M. Ross-Russell reported that she could almost guarantee that the budget amounts that the Finance Committee had been reviewing were not going to necessarily change significantly. The thing that was going to change was the program or direct costs, which was specifically related to rent.

M. Cappuccilli asked M. Ross Russell to clarify the statement "The current percentage has been consistent for the past 15 years at approximately 2.4% decreased from 2.7%." and asked at the highest that was specifically related to the OHP office budget? M. Ross-Russell answered affirmatively that it was the Planning Council support budget, and the drop signified a massive

cut one year and OHP has not changed it once the funding shifted. K. Carter asked if there was a need to increase that budget at all or even as much as 3%? M. Ross-Russell answered that she was hesitant to do so because it came out of the 10% that was allowed. Additionally, there were other costs that fell into system-wide coordination like the Hotline, grantee administration and capacity building. M. Ross-Russell additionally stated that as an office, OHP does not compete with service providers for foundation grants or similar monies, so it has absorbed things over the years to ensure that service dollars did not necessarily get hit.

M. Cappuccilli stated that there was some competition within system-wide expenditures if a budget was dramatically slashed from one year to the next, and he was curious how that process worked. M. Ross-Russell responded there were years where OHP's award only decreased by a very small amount, for example one year there was an overall award decrease of \$300,000, and the Recipient then decided to absorb those costs. However, if there was a dramatic increase in a category there would be some negotiation that may also happen. M. Ross-Russell reported that when the reauthorization went through and there was a change in how you determine transitional grant areas, The language stated that it was at the discretion of the Recipient to determine the extent to which there were planning bodies within transitional grant areas, so there could possibly be transitional grant areas that have community input, but may not have an operational planning body. Focus was shifted to the Recipient and now most EMA planning body support was determined to come from within Health Departments. Philadelphia's EMA operated separately.

M. Cappuccilli asked if the group could establish a timeline and asked if the order of operations and how he understood them was correct. He stated that after the Finance Committee received the budget, at some point OHP staff would meet with your program analyst to establish the budget, in which case their budget would then be reviewed by the Finance and Executive Committees, then it most likely would be approved and then passed on to the full Planning Council. M. Ross-Russell responded affirmatively, but added one caveat and that was when OHP got the final award, the Finance Committee meets and reviews the award and makes a determination about which plan is the closest: either level, 5% increase, or 5% decrease. She added that within that process, members approve the system-wide allocations as well. The figure at that approval point would be the total for planning council support budget, all of the negotiations around that are about individual line-items and other parts within that budget, so that a budget could be crafted for the recipient afterwards.

M. Cappuccilli asked if there were still questions when committees reviewed the final budget OHP crafted, would the program analyst be available at those meetings? M. Ross-Russell responded that because the account manager was from PHMC they were the fiscal agent, they're the ones who are actually involved in monitoring the expenses associated with that we are going to be assigned a program analyst. They were going to be reviewing our invoicing, in addition to the account manager at PHMC. M. Ross-Russell added that historically the program analyst was actually the director of AACO.

A. Edelstein commented that he believed it was not appropriate for the program analyst to attend committee meetings. A. McCann-Woods agreed with A. Edelstein's point and stated that she envisioned this role for the program analysts to be like how AACO handled most of its

subrecipients and that was to get updates and fulfill any technical assistance needs as they arise. She continued that on the fiscal end they would, of course, assure allowable costs and spending trends, etc. Beyond that she did not foresee the role of the program analyst in the finance meetings because that was not the function of the role at other subrecipient sites.

K. Carter asked what the role of the program analyst was going to be if they did not attend meetings? A. McCann-Woods answered that the role of the program analysts was multifaceted because they were a steward of federal dollars, state, and local dollars ensuring that programs were operating according to plan and tracking spending. The other role is to provide technical assistance, program monitoring, development, and brokering assistance as well. M. Cappuccilli suggested that the second paragraph of the program analyst role description be changed to “once a preliminary planning support budget is crafted it is then presented in a joint meeting” because the way it was written previously implied that the joint committee had a role in crafting the budget, which was not true. M. Ross-Russell agreed and made the necessary changes. A. Edelstein suggested that they present this document to the full Planning Council at the next meeting.

–Completion of the Monitoring the Administrative Mechanism Form–

M. Ross-Russell reported that the form was complete, but it needed to be filled in. M. Ross-Russell asked the committee if they preferred that she or OHP staff fill in what was already known based on various committee meetings then follow up during next month's Finance Committee meeting with this document and work with the Recipient to complete the parts about the quarterly underspending and overspending reports, invoicing contracts being executed, etc. M. Ross-Russell reported that she spoke to Dr. Brady about the percentage of contracts that were conformed within the timeframe. Due to changes with the City Council, and the process of conforming contracts and what they have added to it, it could potentially take longer.

K. Carter stated that he would prefer OHP staff completing the document and presenting it to the committee, A. Edelstein agreed. M. Ross-Russell answered that OHP would fill in as much as possible ahead of the next Finance Committee meeting. A. Edelstein asked M. Ross-Russell if the project officer had seen this form before. She reported that they have seen the form and the committee has read their comments about the form. M. Ross-Russell discussed the program analyst comments and stated that they felt as though OHP had exceeded the requirements, but it was at the discretion of the Recipient to determine if it was appropriate. Additionally, she reported that they suggested that OHP had timelines, which were consistent with 45 CFR from the Office of Management and Budget requirements for review of subcontracts. That was a 30, 45, and 90 day requirement that they said existed there.

M. Ross-Russell reported that she found language about conforming contracts and that it was based on an audit requirement. In addition, the Planning Council in its role, trying to ensure that there is a timeliness in payment, and making sure that money actually gets to subrecipients in a timely manner. That was the role of the Planning Council, that is the reason why the Finance Committee did level-funding, 5% increase, and 5%, decrease budget to make sure that OHP could give a budget to the recipient so that they can start processing things, disperse awards, etc. A. McCann-Woods added that sometimes these processes were held up because there was the

city of Philadelphia and the desires/wants of HRSA. The problem was that sometimes these did not match the city of Philadelphia's fiscal practices.

A. Edelstein stated that if OHP was not able to conform to the timelines as long as there was a reasonable explanation for that and it wasn't incompetence or laziness hindering progress. There could be delays in the process, and it's not the fault of the recipient, or the fiscal agents. M. Ross-Russell stated that the Planning Council are volunteers and they were not auditors. She stated that all Part A funded entities received a letter from HRSA regarding Planning Council and Planning bodies and at some point in the near future it will be sent to all members outlining the legislative requirements of the Council.

Other Business

None.

Announcements

None.

Adjournment

K. Carter made a motion to adjourn, M. Cappuccilli seconded the motion. The meeting was adjourned at 3:10 p.m.