

MEETING AGENDA

VIRTUAL:

Thursday April 7, 2022

2:00 p.m. – 4:00 p.m.

- Call to Order
- Welcome/Introductions
- Approval of Agenda
- Approval of Minutes (*March 3, 2022*)
- Report of Co-Chairs
- Report of Staff
- Discussion Item
 - Budgeting Process description
 - Completion of the Monitoring the Administrative Mechanism form
- Other Business
- Announcements
- Adjournment

Finance Committee

Please contact the office at least 5 days in advance if you require special assistance.

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**Philadelphia HIV Integrated Planning Council
Finance Committee
Meeting Minutes of
Thursday, March 3, 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), David Gana

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

Call to Order: A. Edelstein called the meeting to order at 2:05 PM.

Approval of Agenda: A. Edelstein presented the March 2022 Finance Committee agenda for approval. **Motion:** D. Gana motioned to approve, M. Cappuccilli seconded to approve the March 2022 agenda. **Motion passed:** 3 in favor, 1 abstained.

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

Report of Co-Chairs

A. Edelstein commended M. Ross-Russell for the 3rd Quarter Spending report and said that it was informative for the HIPC members.

Report of Staff

None.

Action Item

–Concerns related to the Monitoring the Administrative Mechanism Form–

M. Ross-Russell stated that the Project Officer have responded that they have a change request. Their initial finding was that our response was incomplete, reviewing the OHP budget on a quarterly basis and reporting the budget to the planning council needed another step. The response OHP received was related to how would we negotiate the budget amount with the recipient. They asked us for the October Planning Council meeting minutes as well as the agenda to see the discussion about the Planning Council support budget. This was because the information was presented in October, the response from the Recipient on our behalf was that OHP reviewed systemwide components as we prepare for allocations and then afterwards the final award would be dispersed. Within the administrative component was the Planning Council support budget, which has remained approximately 2.4% of the allowable administrative costs and the percentage remains the same should there be an increase, decrease, or change, to the overall award. If there needs to be a change with the budget OHP would enter negotiations with the Recipient as needed. She asked if the committee believed it was a fair assessment.

A. Edelstein asked if this meant that the Planning Council should be involved in the negotiation and development of the budget or just that they were to have knowledge of it and the process? M. Ross-Russell answered that they're saying that the Planning Council should be involved in the development of the Planning Council budget, and or the negotiations, which has always been a part of the budget review process. A. Edelstein asked if M. Ross-Russell could share more about the budget development process, specifically if the recipient gives OHP a dollar amount? Is PHMC involved and who needed to approve it? M. Ross-Russell answered that as part of the allocations process, and figuring out what the systemwide budget would be, she usually determined the percentage that the Planning Council budget has been, and would send an email stating the amount to the Recipient.

M. Cappuccilli asked if the office has a Program Analyst from the Recipient that, on a regular basis, came and evaluated the spending pattern? M. Ross-Russell responded that historically, the person who has evaluated and reviewed the budget was the Recipient Director, so the person acting as "program analysts" was usually in this position. In 2001 there was a formal program analyst, but in more recent years it has been the aforementioned position. A. Edelstein asked if based on needs and the activities that OHP planned to undertake in the coming year related to staffing as well as the survey, would that be approved by anyone in particular or would the costs be incorporated into the budget? M. Ross-Russell answered that she tended to be proactive given the year's activity. For example, the expenses related to courier, to printing, postage, office supplies, etc. was going to increase as a result. Before we do incentives to include in the survey or the materials that were reviewed for the IRB, that went to the recipient beforehand in order for them to review before it was sent to the IRB.

A. Edelstein shared his experience as a former director and asked M. Ross-Russell if the process was similar to the one he was familiar with, which was to develop the budget and discuss it with the Finance Director to review before it was run by senior staff and ultimately the Finance Committee. He then asked if there was a way for OHP to develop an analogous process that would be a good fit for what the Office of HIV Planning was doing? He didn't think it was necessary to vote on budgets like a Board of Directors would, but he thought there should be some type of process of keeping members informed. M. Ross-Russell clarified that there was an account manager at PHMC that she worked with, as well as looking at the general journal and general ledger to see the historic expenditures in certain categories based on what the expenditures have been in the past and taking into consideration increasing percentages over time.

M. Ross-Russell explained that generally she would go to AACO first if, for example, the cost of providing meals during in-person meetings increased because the vendor increased and she would go to them with an explanation for why this happened. It would then go to PHMC because as the fiscal agent they provide budget revision. A. Edelstein asked if there was some way to include the Finance Committee in these processes because it seemed like that was what the Project Officer wanted to do. M. Ross-Russell responded that she believed that they were asking that the Finance Committee had greater involvement to the extent that it wished to be involved. A. Edelstein asked if it was possible to create a process whereby the Finance Committee would get information and would have the opportunity to make input without it being overly cumbersome or a barrier to the work that needed to be done. M. Ross-Russell explained that she only knew what the award was when she received the award letter and that was when they began

to decide the budget amounts.

A. Edelstein asked what was up for negotiation? M. Ross-Russell said negotiations referred to the amount of money OHP received annually or how much the overall supplemental and formula amounts were. OHP hasn't changed that percentage in the last 15 years and the award and resultant budget have fluctuated. A. Edelstein asked what would happen if, as part of the response to this item, you said there was no negotiation process and the level of funding was based on the level of allocation to the recipient and the percentages that were previously approved by the Planning Council? M. Ross-Russell answered that there would be a negotiation if the amount OHP had been assigned by the Recipient and the Planning Council were not sufficient.

A. Edelstein reiterated that he thought it was best that the Finance Committee was only involved in the preparation of a budget to fulfill the Project Officer concerns without being burdensome on OHP staff. K. Carter added that it would be M. Ross-Russell coming to the Finance Committee with a completed budget for the Committee to approve. A. Edelstein stated that he would rather M. Ross-Russell decide the best course of action and relay that information to the Finance Committee when she decided. A. Edelstein asked if there was an expectation that the full Planning Council had to vote to approve the budget like a board of directors does or was it commonplace for the Finance Committee to review it? M. Ross-Russell answered that it was the planning body's choice who would review it because it was something that was being initiated and reviewed as OHP discussed expenditures with the Finance Committee.

M. Ross-Russell stated the second finding from the Project Officer stated "Please ensure that this is done in accordance with 45 CFR 75." This language came from the Office of Management and Budget, and it was specifically related to audit and contractual requirements. She explained that it was like asking the Planning Council to make sure that something that was specifically related to audit requirements were being carried out by the Planning Council. Additionally, ensuring that contracts were fully executed 45 days after the beginning of the budget period, which would technically be March 1, 2022. If the award was not dispersed by that date then contracts cannot be fully executed. The language that was currently in the monitoring the administrative mechanism stated 90 days. The recipient has indicated that their goal was 90 days, but there was a problem: the Mayor and City Council added another requirement to codify contracts. As a result the process is taking longer then it had in previous years.

Alan Edelstein asked about the comments related to the scope of the administrative mechanism activities. M. Ross-Russell stated that the language left the determination to the Recipient who stated that it was acceptable in the past, so the Recipient would have to reiterate that point to the Project Officer. A. Edelstein noted that the first sentence stated that it went beyond the legislatively required criteria, so not only was the requirement met but it was exceeded. M. Ross-Russell answered affirmatively. A. Edelstein moved on to the last paragraph of the comments where it stated there needed to be a set of formal policies and procedures to describe how to assess the efficiency of the administrative mechanism annually with a written report with inclusions and recommendations. He asked how the Finance Committee was supposed to do that moving forward. M. Ross-Russell answered that all of the components within the form and the initial description of what the process is contained in the form. At the end of the contract year, once we have received the final expenditure report, then x will happen, the x that is going to

happen was reviewing that form, and completing that form. Adding any notes, concerns, or issues. That was the reason why there was a note and the reason why there was a responsible party. The Administrative Mechanism form was the formal written process.

M. Ross-Russell stated that the comments left by the Project Officer were things that were already completed or processes that were already in place. She stated that the primary difference was that within the policy the word “written” appeared” and OHP would have been in compliance. M. Ross-Russell stated that next steps would look like taking the feedback from this discussion and speak to the Recipient tomorrow to see if they agreed with these responses because providing the Finance Committee with the budget at the beginning of the contract year, or the beginning of the funding cycle based on the award. It would be presented to this committee for initial review and go to the executive committee, or vice versa.

Other Business

None.

Announcements

None.

Adjournment

K. Carter motioned to adjourn, M. Cappuccilli seconded the motion to adjourn the March Finance Committee meeting. Meeting adjourned at 3:09 p.m.

Respectfully submitted,

Elijah Sumners