



PRIOR APPROVAL POLICY

PURPOSE

Proper management of program income is essential to meet the fiduciary responsibilities of the Early Learning Coalition of Pasco and Hernando Counties, Inc. (Coalition). Program income must be used appropriately not only in accordance with the terms of grants, agreements and contracts, but also with applicable governmental regulations.

POLICY STATEMENT

The Coalition will obtain prior written approval from the awarding agency for selected items of cost identified in OMB Circular A-122 Attachment B, and all single item equipment and capital improvement purchases that cost \$5,000 or more. Where an item of cost requiring prior approval is specified in the budget of the award, approval of the budget by the awarding agency will constitute approval of that cost.

DEFINITIONS

Capital expenditure: The cost of the asset including the cost to put it in place.

Capital expenditure for equipment: the net invoice price of the equipment including the cost to put it in place. Capital expenditure for equipment means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories or auxiliary apparatus necessary to make it usable for the purpose for which it is to be acquired.

Equipment: an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals the lesser of (a) the capitalization level established by the agency for financial statement purposes or (b) \$5,000.

Prior Approval: Securing the awarding agency's permission in advance of incurring costs for those items that are identified as requiring prior approval in OMB Circular A-122.

1st Reading: 4/17/08

Approved: 5/15/08