
HS Fiscal Training

March 26 – 28, 2007

Trainer:

PhuongY Nguyen

Head Start

Budgeting & Reporting

Head Start Budgeting – Basic Requirements

- Program Costs and Administrative Costs are budgeted separately
 - CYS Head Start agencies are required to contribute Non-Federal Share (1/3 of Head Start cost)
 - CYS Head Start agencies are allowed to have administrative cost at 10% of total costs (HS cost + Non-Federal Share)
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25% Retained Funds

- At the beginning of the contract period, CYS only releases 75% of the agency's budget. 25% of the funds is retained pending enrollment evaluation.
 - Depending on the agency's enrollment, the retained funds will be fully or partially released to the agency in May. Agency will be required to revise the budget to reflect the new allocation.
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Budgeting Process

- Refer to the agency's Cost Allocation Plan, if the agency has multiple funds, multiple programs and shared costs
 - Determine what costs are administrative and what costs are programmatic
 - Determine what resources can be used as Non-Federal Share
 - Do budget for administrative portion first, then programmatic portion
 - Budget must be signed by authorized person
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Non-Federal Share & Administrative Cost Limitation Applied to CYS HS agencies

■ If Head Start Cost	\$1,200,000
■ Non-Federal Share (1/3 HS)	\$400,000
■ Total Cost	\$1,600,000
■ Total Admin Cost @ 10%	\$160,000

Reference Resources – Linkage Web Sites

- Early Childhood Learning & Knowledge Center –
www.eclkc.ohs.acf.hhs.gov
 - Head Start Fiscal Assistant – Non-Federal Share
– www.acf.hhs.gov/programs/hsb/hsfa
 - OMB Circular A-122 – Cost Principles for Not-for-Profit Organization –
www.whitehouse.gov/omb/circulars/a122.html
 - 20 CFR 435.23 – Cost sharing or matching –
www.socialsecurity.gov/OP_Home/cfr20/435/435-0023.html
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Common Allowable and Non Allowable Costs

Allowed

- Advertising for recruitment or procurement
- Audits
- Bonding
- Communications
- Compensation for personal services
- Depreciation or use allowance
- Employee morale, health and welfare
- Equipment (with prior approval)
- Insurance, including self-insurance
- Labor relations
- Maintenance and repairs
- Organization memberships in professional and civic organizations
- Materials and supplies
- Professional service costs
- Publication and printing costs
- Rental costs
- Severance Pay
- Training
- Travel

Not Allowed:

- Alcoholic beverages
 - Bad debts
 - Contingencies
 - Contributions/donations
 - Prosecution of claims against the federal government
 - Entertainment
 - Fines and penalties
 - Fundraising and investment management costs
 - Losses that could have been covered by insurance
 - Interest on bad debts, overdraft charges, etc.
 - Lobbying costs
 - Losses on other awards
 - Personal memberships
 - Organizing and reorganizing costs
 - Proposal costs, unless approved
 - Public relations, unless part of the award
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Budgeting Tips

- If there are Retained Funds, first prepare the budget @ 100%, plug in the Retained Funds to salaries, fringes and then non-personnel if needed.
 - Dual functions personnel – total % time charged must not exceed 100%
 - Equipment – Unit cost must be greater than \$5,000, otherwise budget as Supplies (should consult with CYS when in doubt). Need prior approval.
 - Rent – only if the agency does not own the facility. Copy of the lease must be submitted with the contract package.
 - Depreciation/Use Allowance – Depreciation schedule must be submitted and approved by CYS.
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Personnel Costs *

Administrative Costs

- Human Resources staff
- Fiscal staff
- Staff Development
- Other Administrative Personnel

Programmatic Costs

- Teachers, Teacher Aides & Other Education Personnel
- Social Service Workers
- Parent Involvement Coordinator
- Disabilities Services Personnel
- Home Visitors
- Nutrition Services Personnel
- Health, Mental Health Services Personnel
- Family Child Care Personnel
- Family & Community Partnerships Personnel

* Should consult with CYS when in doubt

Non-Personnel Costs *

Administrative Costs

- Payroll, accounting, auditing
- Office Supplies
- Substitutes for Administrative Personnel (if not paid benefits)

Programmatic Costs

- Medical, Dental, Special Needs services for HS children
- Parent Services
- Educational, Program, Classroom Supplies
- Family Child Care
- Private Providers (Partnerships)
- Nutrition Services
- Substitutes for Programmatic Personnel (if not paid benefits)
- Child Transportation Services

* Should consult with CYS when in doubt

Dual Costs

- Personnel with dual functions
 - Space costs (including rent, maintenance, cleaning, liability insurance, security, depreciation or use allowance) - if the space is used for classrooms and administration
 - Office Supplies – if used for classrooms & administration
 - Equipment rental/maintenance/repair – if used for classrooms and administration
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Criteria for Acceptable Non Federal Share

- Are not included as a cost or match to any other Federally-funded program
 - Are verifiable from the recipient's records
 - **Are necessary & reasonable for accomplishment of program objectives**
 - Are allowable under grant conditions and cost principles
 - Are not financed by any other Federal program unless authorized by Federal statute
 - Are provided for in the component plan/budget approved by CYS
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Cash Match as Non Federal Share

- Cash must be received from third parties
 - Cash must be expended during the project period
 - Cash must be expended to fund allowable program costs
 - Cash match counts when expended, not when donated to or generated by the grantee.
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Example of Non-Federal Share Contributions

- Donated land, buildings, and equipment where the title passes to the grantee
 - Time donated by Policy council members & board members on HS activities
 - Time donated by employee if services is not part of the employee's regular duties. Should only be accepted when the intent to freely donate time is supported by a documented statement
 - Time spent by parents in a Home-Based program
 - Use of parents' home in a Home-Based program
 - Time spent by parents at a center
 - Time spent by parents at home in a Center-Based program. Activities should assist grantee in meeting the performance standards and must be part of a written curriculum
 - Child Transportation costs if the program cannot regularly provide transportation
 - Donated supplies and food. Must be used in the program
 - Donated clothing. Must be used for educational experiences or retained at the center
 - Cash/contribution from community to Head Start program
 - Discounts or reduced rates for HS programs that are not normal business practices
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Vouchering/Invoicing

- **Effective April 2007**, HS agencies are required to invoice **TWICE** a month or after each payroll.
 - Head Start grant is to reimburse agencies for costs incurred for HS program during the grant period.
 - Costs from several months can be combined into one invoice, provided that the invoiced period should cover those months. Same concept is applied to resubmission for deletions.
 - Agency can only invoice for positions or expenditures listed in the budget approved by CYS.
 - Invoices must be signed by authorized person.
 - Invoices are sent directly to **Comptroller's Office – 33 N. LaSalle, 7th floor, Chicago, IL 60602**
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Voucher Line Item Audit Adjustment Codes & Reasons

- 01 – Past due amount and late fee are not reimbursable
 - 02 – Receipt and or invoice does not match requested amount
 - 03 – Calculation of fringe benefits is based on approved salaries
 - 04 – Submit itemized receipt or invoice
 - 05 – Additional or supporting documentation required
 - 06 – Calculation based on percentage in the contract
 - 07 – Requested amount was previously paid
 - 08 – Expenditures not allowed under this account
 - 09 – Time sheet needed for hour wages
 - 10 – Budget line expended; line overrun
 - 12 – Recovered outstanding advance from another contract
 - 13 – Addition error
 - 14 – Tax payment certificate needed
 - 15 – Budget line does not exist
 - 16 – Equip and/or furniture property control card required
 - 17 – Positions not budgeted
 - 18 – Duplicate submission
 - 20 – Exceeds the maximum allowable per budget line or for the position
 - 21 – Submitted in wrong account
 - 25 – Overpayment on previous voucher
 - 26 – This is not a deletion or 899 liquidation but a recoup from overpayment
 - 29 – Cost not incurred during contract period
 - 30 – CYS Adjustment – Co-payment
 - 31 – CYS Adjustment – Eligible days
 - 32 – Budget revision required
 - 33 – Ineligible costs; Do not resubmit
 - 34 – Lead dept and SAD authorization required for payment
 - 36 – Check number (s) needed
 - 37 – Line-off made by Department
 - 99 – Amount not budgeted in contract
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Resubmission Voucher for Deletions

- Agency can resubmit for deletions provided that funds are available and the costs are in the latest budget or budget revision approved by CYS.
 - Agency can resubmit several deletions from several invoices in one resubmission voucher
 - Due to time limitation, agency **MAY NOT** be allowed to resubmit for deletions of final voucher, if the errors were made by the agency or lack of supporting documentation
 - Do not wait until the end of the year to resubmit for all deletions at the same time
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Non-Federal Share Reporting

CYS agencies are required to report Head Start
Non-Federal Share once a month to:

Sum Chow

Comptroller's Office

Special Accounting Division

33 N. LaSalle, 8th floor

Chicago, IL 60602

Fax# 312/744-4065

Year End Summary Report

Head Start Year End Summary Report is due
on the 31st of January to:

PhuongY Nguyen
CYS/Finance Division
1615 W. Chicago, 4th floor
Chicago, IL 60622
Fax# 312/743-2095

Head Start FY'07 Deadlines *

- Final Budget Revision – October 15, 2007
- Final Voucher – December 31, 2007
- Year End Summary Report – January 31, 2008

* Subject to change

Contact list *

- Head Start budgets & payments
 - Marshall Petegorsky 312/743-2078
 - Darnetta Anderson 312/743-6970
- Child Care payments
 - Salina Ruan 312/743-2079
 - James Hartray 312/743-2069
- Head Start & Child Care Grants Manager
 - PhuongY Nguyen 312/743-1053

Fax number : 312/743-2095

- Inquiries regarding payments and or deletions should be directed to CYS staff. Agencies should not call Comptroller's Office.
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