



Introduction

Governance provides the framework and structure within which organizations operate. It guides decisions, communications and operational oversight. It is important that strong governance processes are in place and that the right people are members of governing bodies in order to obtain successful organizational outcomes.

Head Start and Early Head Start programs that are successful in delivering high-quality, consistent services to pregnant women, young children, and their families are guided by committed governing bodies that understand and faithfully implement their roles as leaders and fiduciary agents. To ensure Head Start's success, Congress charges governing bodies of organizations that operate Head Start and Early Head Start programs to include members with particular expertise, to exercise specific oversight and leadership functions, and to create a governance system that includes an active role for the Policy Council, whose membership includes parents of enrolled children and community representatives.

This Governance Readiness Assessment has been developed to help organizations' governing bodies and leaders assess their capacity to effectively oversee and monitor a Head Start or Early Head Start program, and develop a Governance Readiness Plan. It identifies areas in the Head Start Program Performance Standards and Head Start Act related to governance practices with which programs need to comply, as well as governing body practices that are particularly relevant to the leadership and oversight of a Head Start or Early Head Start program.

The Governance Readiness Assessment includes three sections.

Section 1: Compliance Checklist

Section 1 contains a checklist that can be used to help you assess whether your program is in compliance with the Head Start Program Performance Standards related to governance. Although it is not specific enough to be the only resource you will use to fully evaluate compliance, it will help you to identify if there are areas of program governance that you wish to strengthen. Please see [Governance, Leadership, and Oversight Capacity Screener](#) for more detailed reference to legislative and regulatory requirements.

Section 2: Indicators Assessment

Section 2 contains information about recognized best practices for organizational governance, and a tool that can be used by governing body members as they assess their governance practices. While some of the details in the indicators are not governance requirements referenced in the Head Start Program Performance Standards, Head Start and Early Head Start grantees will benefit from considering these indicators as they will help governing boards demonstrate an ability to oversee grantees' operations.

Section 3: Governance Readiness Plan

Section 3 contains forms that can be used to summarize your findings and to document a plan that can be implemented to strengthen governance practices within your program. Completing your Governance Readiness Plan is your first step toward strengthening your organization's governing body. Equally important is that you regularly monitor your progress in implementing your plan.

There are several ways that the Governance Readiness Assessment can be used within programs. The governing body chairperson and executive director may want to work in partnership to lead this process. They can:

- Include the Governance Readiness Assessment as an action item on an upcoming meeting agenda, reserving adequate time for a full group discussion; or
- Share the tool with individual governing body members, requesting that they consider their responses to each of the indicators in preparation for the next meeting.

Governing bodies overseeing large organizations may choose to assign the responsibility for completing the tool to a committee that can report its findings and recommendations back to the entire group.

Some governing body members may seek additional information about governance practices as they complete their assessment and develop the Governance Readiness Plan. Below is a list of selected websites that contain a variety of nonprofit governance resources:

Resource	Description
Blue Avocado	Blue Avocado provides practical information and insights that are easy to implement and can improve your effectiveness and that of your organization. It is the bimonthly newsletter of American Nonprofits.
Board Source	Board Source provides fundamental, assessment-based support to nonprofit boards and executives, and a wide range of tools, seminars, best practice resources and guidance to strengthen board performance.
GrantSpace	GrantSpace provides easy-to-use, self-service tools. A search of its "Tools" section includes resources on bylaws and additional resources for nonprofit governance. GrantSpace is a service of Foundation Center.
Head Start Early Childhood Learning and Knowledge Center (ECLKC)	ECLKC is the Federal website that provides resources and information about Head Start and Early Head Start. Regulations about governance can be found on this site, as can Head Start resources about governance practices and regulations.
National Council of Nonprofits	The National Council of Nonprofits produces and curates tools, resources and samples for nonprofits.
The Bridgespan Group	The Bridgespan Group is a consulting firm that provides strategy consulting and leadership development. They post many articles and resources on their site related to leadership and governance. (Hint: Search their "insights" link.)

Additional important resources include your federal program specialist, and the regional Head Start Training and Technical Assistance (T/TA) network.



Section 1: COMPLIANCE CHECKLIST

Both the Head Start Act and the Head Start Program Performance Standards set forth governance requirements with which every Head Start and Early Head Start grantee must comply. (Reference the “*Head Start Program Governance Reference Book*” for a complete listing of these requirements.)

The Compliance Checklist may be used to help you assess your program’s level of compliance with the governance requirements found in the Head Start Act and the Head Start Program Performance Standards.

To complete the Compliance Checklist:

1. Review each requirement summary statement. Links to the original language in the Head Start Act (HSA) and the Head Start Program Performance Standards (HSPPS) are included.
2. Assess whether you believe your program to be in compliance with the standard, and place a checkmark in the appropriate column below the requirement. You may add notes indicating why you selected your response and/or questions you have that require follow-up.
3. Use the completed checklist as a basis for discussion by the full governing board. A summary of the assessment responses can be listed on the summary page of the Governance Readiness Plan (see page 21).
4. All requirements that are identified as not being met should be included in your program’s Governance Readiness Plan—Action Steps for Areas of Compliance (see page 22).

Section 1: COMPLIANCE CHECKLIST



A. Overall Structure	
<p>HSPPS 45 CFR § 1301.1 and 45 CFR § 1301.3 (a)</p> <p>A governing body, a Policy Council (at agency level), a Policy Committee (at delegate level), and a parent committee have been established and maintained:</p> <ul style="list-style-type: none"> • The governing body is responsible for the legal and fiscal administration and oversight of the Head Start and Early Head Start programs. • The Policy Council/Policy Committee is responsible for the direction of the Head Start and Early Head Start programs. 	<p> <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't Know </p> <p>Notes:</p>
<p>HSPPS 45 CFR § 1301.5</p> <p>The agency provides training, technical assistance, orientation to the governing body, any advisory committee members, and members of the Policy Council (at agency level) and Policy Committee (at delegate level), including training on HSPPS and on program eligibility.</p>	<p> <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't Know </p> <p>Notes:</p>
B. The Governing Body	
<p> HSPPS 45 CFR § 1301.2 (a) HSA Sec. 642 (c)(1)(B) (i-iv) View the exceptions (HSA Sec. 642 (c)(1)(B)(v-vi)) </p> <p>The governing body includes:</p> <ul style="list-style-type: none"> • At least one person with a background and expertise in fiscal management or accounting • At least one person with a background and expertise in early childhood education and development • At least one person who is a licensed attorney familiar with issues that come before the governing body • Members who reflect the community to be served—including parents of children who are currently or were formerly, enrolled in Head Start—and who have expertise in education, business administration or community affairs 	<p> <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't Know </p> <p>Notes:</p>

Section 1: COMPLIANCE CHECKLIST



<p>HSPPS 45 CFR § 1301.2 (a) HSA Sec. 642 (c)(1)(C)(i-iv) View the exceptions (HSA Sec. 642 (c)(1)(D)(i-ii))</p> <p>Members of the governing body:</p> <ul style="list-style-type: none"> • Have no financial conflict of interest with the grantee (or delegate) • Do not receive compensation for serving on the governing body or providing services to the grantee • Are not employed by the grantee (or delegate) • Operate as an entity, independent of staff employed by the grantee 	<p><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't Know</p> <p>Notes:</p>
<p>HSPPS 45 CFR § 1301.2 (b)(1) HSA Sec. 642 (c)(1)(E)(i)-(iii) 45 CFR 1301.6</p> <p>The governing body:</p> <ul style="list-style-type: none"> • Meets legal and financial responsibilities for overseeing programs and safeguarding federal funds • Has practices to assure active, independent and informed governance including impasse policies • Fully participates in the development, planning and evaluation of the programs • Ensures compliance with federal, state, tribal and local laws and regulations 	<p><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't Know</p> <p>Notes:</p>
<p>HSPPS 45 CFR § 1301.2 (b)(1) and 45 CFR § 1301.2 (c)(1-2) HSA Sec. 642 (c)(1)(E)(iv)(I-III), Sec. 642 (c)(1)(E)(iv)(VI), Sec. 642 (c)(1)(E)(iv)(XI) and Sec. 642 (c)(1)(E)(iv)(X)</p> <p>The governing body is responsible for:</p> <ul style="list-style-type: none"> • Establishing procedures and criteria for recruitment, selection, and enrollment of children • Reviewing applications and amendments for funding • Developing procedures regarding Policy Council member selection • As practicable and appropriate, establishing advisory committees • (If appropriate) selecting delegate agencies and their service area(s) <p style="text-align: right;"><i>Continued</i></p>	<p><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't Know</p> <p>Notes:</p>

Section 1: COMPLIANCE CHECKLIST



<p><i>Continued from previous page</i></p> <ul style="list-style-type: none"> Establishing, adopting, and periodically updating written standards of conduct that establish standards and formal procedures for disclosing, addressing, and resolving any conflict of interest, and any appearance of a conflict of interest, by members of the governing body, officers and employees of the Head Start agency, and consultants and agents who provide services or furnish goods to the Head Start agency; and complaints, including investigations, when appropriate 	
<p>HSPPS 45 CFR § 1301.2 (b)(1) HSA Sec. 642 (c)(1)(E)(iv)(VII)</p> <p>The governing body approves financial management, accounting and reporting policies, and compliance including those related to major financial expenditures, annual approval of the operating budget, selection of independent auditor (unless one is assigned by law), monitoring corrective actions.</p>	<p><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't Know</p> <p>Notes:</p>
<p>HSPPS 45 CFR § 1301.2 (b)(2) and 45 CFR § 1302.102 (c)(2)</p> <p>To conduct its responsibilities, the governing body uses:</p> <ul style="list-style-type: none"> Ongoing monitoring results Data on school readiness goals Strategic long term goals Goals for the provision of educational, health, nutritional, and family/community engagement services Program data on teaching practice, staffing and professional development, child-level assessments, family needs assessments and comprehensive services 	<p><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't Know</p> <p>Notes:</p>



C. The Policy Council (at agency level) and Policy Committee (at delegate level)	
<p>HSPPS 45 CFR § 1301.3 (a-b) HSA Sec. 642 (c)(2)(B-C)</p> <p>The Policy Council (at agency level) and Policy Committee (at delegate level):</p> <ul style="list-style-type: none"> • Is established as early in the program year as possible • Includes persons elected by parents of currently enrolled children • Includes parents of currently enrolled children as the majority of members, and they proportionately represent each program option • Ensures that members do not have a conflict of interest, are not program staff except for those who occasionally substitute as staff, and do not receive compensation for serving on the Policy Council or Policy Committee 	<p><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't Know</p> <p>Notes:</p>
<p>HSPPS 45 CFR § 1301.3(C)(1) HSA Sec. 642 (c)(2)(D)</p> <p>The Policy Council (at agency level) and Policy Committee (at delegate level) approves and submits to the governing body decisions about:</p> <ul style="list-style-type: none"> • Activities to support parent engagement in program operations • Program recruitment, selection and enrollment priorities • Applications and amendments for funding • Budget planning for program expenditures, including policies for reimbursement and participation in Policy Council activities • Bylaws for the operation of the Policy Council • Program personnel policies, decisions regarding program staff employment and dismissal, and standards of conduct for program staff, contractors, and volunteers • Procedures for electing Policy Council and Policy Committee members • Recommendations on the selection of delegate agencies and their service area(s) 	<p><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't Know</p> <p>Notes:</p>

Section 1: COMPLIANCE CHECKLIST



<p>HSPPS 45 CFR §1301.3 (d)1-4)</p> <p>The Policy Council (at agency level) and Policy Committee (at delegate level) have identified that:</p> <ul style="list-style-type: none"> • Terms are for one-year • Re-elections must take place if a member intends to serve for another year • The number of one-year terms allowed are included in by-laws • In no case, may a person serve for more than five terms • A successor Policy Council (at agency level) or Policy Committee (at delegate level) must be seated before the Policy Council or Policy Committee can be dissolved 	<p> <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't Know </p> <p>Notes:</p>
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D. The Governing Body and the Policy Council

<p>HSPPS 45 CFR § 1301.2 (b)(1) and 45 CFR § 1301.3(c)(2) HSA Sec. 642 (c)(1)(E)(iv)(IV) and Sec. 642 (c)(1)(E)(iv)(VIII) and Sec. 642 (d)(2)</p> <p>The governing body and the Policy Council (at agency level) or Policy Committee (at delegate level) have each established procedures and guidelines for accessing and collecting information from:</p> <ul style="list-style-type: none"> • Monthly financial statements including credit card statements • Monthly program information summaries • Program enrollment reports including attendance reports • Monthly meal and snack reports • Financial audit • Annual self-assessment and findings • Community assessment and needs assessment • Communication and guidance from US Secretary of the Department of Health and Human Services • Program information reports • Monitoring results and appropriate follow-up activities • Ongoing monitoring results • Data on school readiness goals 	<p> <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't Know </p> <p>Notes:</p>
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Section 1: COMPLIANCE CHECKLIST



<p>HSPPS 45 CFR § 1301.2 (b)(1) and 45 CFR § 1301.3 (c)(2) HSA Sec. 642 (c)(1)(E)(iv)(V) and Sec. 642 (c)(1)(E)(iv)(IX) and Sec. 642 (d)(2)</p> <p>The governing body and the Policy Council (at agency level) or Policy Committee (at delegate level) each review and approve all major policies including:</p> <ul style="list-style-type: none"> • Annual self-assessment • Annual financial audit • Program progress carrying out programmatic and fiscal provisions in the grant application • Implementation of corrective actions • Personnel policies regarding hiring, evaluation, termination and compensation of employees – including the executive director, Head Start director, director of human resources, chief fiscal officer 	<p><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't Know</p> <p>Notes:</p>
<p>HSPPS 45 CFR § 1301.6</p> <p>Together the governing body and the Policy Council have established written procedures for resolving internal disputes between the groups, which include impasse procedures.</p>	<p><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't Know</p> <p>Notes:</p>
<p>E. The Parent Committee</p>	
<p>HSPPS 45 CFR § 1301.4</p> <p>A parent committee comprised exclusively of parents of currently enrolled children has been established as early in the year as possible. It is established at the center level for center-based programs and at the local level for other program options and:</p> <ul style="list-style-type: none"> • Advises staff about local program policies, activities and services • Communicates with the Policy Council (at agency level) and Policy Committee (at delegate level) • Participates in the recruitment and screening of employees per guidelines established by the governing body, Policy Council (at agency level) and Policy Committee (at delegate level) 	<p><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't Know</p> <p>Notes:</p>

Section 2: INDICATORS WORKSHEET

Not only is it important to determine if your program is in compliance with the requirements of the Head Start Act and Head Start Program Performance Standards, but it is also important to review whether you have systems and practices in place that will position your program's governing body to provide the legal, programmatic and fiscal oversight required. Understanding how to best provide oversight to an organization can be a complex task, especially for those who have not been involved in program governance previously. In this section, 15 indicators of high-functioning governing bodies have been identified. These will help as you assess your program's level of readiness and inclusion of best practices related to program governance. The indicators are divided into six categories:



Structural

Head Start and Early Head Start programs must ensure that the structural components of their governing body meet regulations and support best practices.



Fiduciary

Head Start and Early Head Start programs must ensure that strong systems are in place for exercising their fiduciary responsibilities.



Strategic direction

Governing bodies must provide strategic direction to Head Start and Early Head Start programs, including successfully engaging the Head Start management team and Policy Council in a strategic planning process.



Leadership

In accepting funding for Head Start and Early Head Start, governing bodies agree to provide leadership to the program as a whole as well as to Head Start staff and parent leaders. Governing bodies also recognize the important relationship between the governing body and the Policy Council and their shared leadership responsibilities.



Community relations

In accepting funding for Head Start and Early Head Start, governing bodies agree to work with program leaders to develop links with the community that the program serves.



Decision-making

Head Start and Early Head Start programs must establish a Policy Council (at agency level) and Policy Committee (at delegate level), whose members include parents of children currently enrolled in the program and community representatives; and the governing body must actively engage this group in program decision-making.



Complete the Indicators Worksheet.

1. Have governing body members and organizational leaders review each indicator and take stock of each indicator by reviewing the questions listed that characterize effective governance practices, and by considering other related issues. Personal experiences as well as knowledge of written documents should be considered.
2. Arrange time for governing body members and organizational leaders to come together and share their thoughts to determine which stage of development best describes their progress in each area. A summary of the assessment responses can be listed on the summary page of the Governance Readiness Plan (see page 21).
3. Review all requirements that are identified as “needs improvement” or “in process.” These should be considered for inclusion in your program’s Governance Readiness Plan Action Steps (see page 22).



STRUCTURAL

Five indicators have been included that programs will want to consider when assessing the structural strengths of their governance readiness: (S1) Bylaws, (S2) Major policies, (S3) Measuring governing body performance, (S4) Membership, (S5) Orientation and training.

Indicator #S1 – Bylaws

Bylaws can be helpful to any organization. They are written rules that govern the operation and management of the organization.

Take Stock

- Does the governing body adhere to a set of bylaws that members regularly review and update?
- Do all governing body members have a copy of the current bylaws?
- Do the bylaws:
 - Indicate when they were last updated;
 - Outline the qualifications of members;
 - Clearly delineate the roles and responsibilities of members;
 - Establish a functional committee structure;
 - Include policies that define expectations for attendance and membership on committees; and
 - Include an annual calendar of activity?
- Do governing body members regularly reference the bylaws during meetings to clarify how the governing body is expected to function?
- Does the governing body have a system for regularly reviewing and updating the bylaws?

Select one of the following stages of development for this indicator.

- Needs Improvement
- In Process
- Strong

Provide comments explaining what led to your conclusion.



<p>Indicator #S2 – Major Policies</p> <p>All organizations need some standard policies in order to guide decisions and actions. Among those that Head Start and Early Head Start grantees will want to consider are a conflict of interest policy, personnel policies, and having a formal process for employees and consumers to report complaints without retaliation. (The HSPPS reference conflict of interest in 45 CFR § 1301.2 and 45 CFR § 1301.3, personnel policies in 45 CFR § 1302.90.)</p> <p>Take Stock</p> <ul style="list-style-type: none"> • Are there policies related to conflict of interest? • Are personnel policies in place? • Is there a formal process for employees and consumers to report complaints without retaliation? • Are each of the policies identified above current and easy to locate? • Are these and other policies referenced during meetings to provide guidance to the organization and governing body during their decision-making processes? 	<p>Select one of the following stages of development for this indicator.</p> <p> <input type="radio"/> Needs Improvement <input type="radio"/> In Process <input type="radio"/> Strong </p> <p>Provide comments explaining what led to your conclusion.</p>
<p>Indicator #S3 – Measuring Governing Body Performance</p> <p>It is important that the governing body take time to objectively look at its own effectiveness. The governing body will need systems for measuring its own performance and evaluating the engagement of individual members, and for using the results to strengthen the governance system.</p> <p>Take Stock</p> <ul style="list-style-type: none"> • Are the governing body chair, other members, and the organization’s director committed to continually improving the governance system? • Has the governing body measured its own performance, documented the results, and used the results to make improvements? • Are governing body members able to recall their individual evaluations; do some members report they have increased their level of engagement as a result? • Are governing body members aware of tipoffs that indicate the need for evaluating governance policies and practices, such as: <ul style="list-style-type: none"> o Spotty attendance or lack of quorum; o Late arrivals and early departures at meetings; o Lack of preparation for meetings; and o Meetings that reflect micromanagement rather than strategic focus? 	<p>Select one of the following stages of development for this indicator.</p> <p> <input type="radio"/> Needs Improvement <input type="radio"/> In Process <input type="radio"/> Strong </p> <p>Provide comments explaining what led to your conclusion.</p>



<p>Indicator #S4 – Membership A highly effective governing body recruits diverse and qualified members whose experience and expertise align with governing body responsibilities and ensure that the community served is adequately represented. (The HSA and HSPPS identify required membership on the governing body as well as on the Policy Council (at agency level) and Policy Committee (at grantee level), and the parent committee. HSA Sec. 642 (c)(1)(B), HSA Sec. 642 (c)(2) (B-C), HSPPS 45 CFR § 1301.2 (a), HSPPS 45 CFR § 1301.3 (a-b), 45 CFR § 1301.4)</p> <p>Take Stock</p> <ul style="list-style-type: none"> • Do the bylaws describe specific qualifications that are sought when recruiting governing body members to fill vacancies? • Does the governing body have a nominating committee that has been successful in recruiting qualified members? • Does the governing body include members with different areas of expertise that align with key governing body responsibilities as well as members who represent the community served? • Is the governing body prepared to change its membership in accordance with the Head Start Act? 	<p>Select one of the following stages of development for this indicator.</p> <p> <input type="radio"/> Needs Improvement <input type="radio"/> In Process <input type="radio"/> Strong </p> <p>Provide comments explaining what led to your conclusion.</p>
<p>Indicator #S5 – Orientation and Training The governing body provides orientation to all new members and ongoing training, as needed, so that members fully understand their responsibilities and are knowledgeable about the organization’s systems, services, and financial health. (The HSPPS require that the agency provide training, technical assistance, orientation to the governing body, any advisory committee members, and members of the Policy Council (at agency level) and Policy Committee (at delegate level), including training on HSPPS and on program eligibility. HSPPS 45 CFR § 1301.5)</p> <p>Take Stock</p> <ul style="list-style-type: none"> • Is a comprehensive governing body orientation held annually for all new members? • Does a current governing body handbook exist? Is it distributed to all new members? Is it used to guide members in embracing their new roles? • Is the executive director responsive to the ongoing needs of members, by providing yearly training activities that support their continuous growth and development? • Does the executive director utilize internal and external resources to ensure that all training content is current and the professional development strategies are appropriate to the audience? • Can governing body members describe the orientation and ongoing training they received and how it helped prepare them for their role? 	<p>Select one of the following stages of development for this indicator.</p> <p> <input type="radio"/> Needs Improvement <input type="radio"/> In Process <input type="radio"/> Strong </p> <p>Provide comments explaining what led to your conclusion.</p>



FIDUCIARY

Three indicators have been included that programs will want to consider when assessing the fiduciary strengths of their governance readiness: (F1) Fiscal oversight, (F2) External audit, (F3) Managing federal funds.

Indicator #F1 – Fiscal Oversight

The governing body has responsibility for developing and formally adopting policies that establish control procedures and other requirements for financial operations in order to assess the fiscal health of the organization. (The HSA and HSPPS state that governing bodies have legal and fiscal responsibilities, and that at least one member have fiscal management expertise.

[HSA Sec. 642 \(c\)\(1\)\(A\)](#), [Sec. 642 \(c\)\(1\)\(B\)\(i\)](#),
[HSPPS 45 CFR § 1301.1](#), [45 CFR § 1301.2 \(a\)](#)

Take Stock

- Does one or more governing body members have fiscal expertise?
- Is financial management included in the governing body orientation and training process so that all members have the skills to review and assess budget reports?
- Do minutes from either full governing body meetings or finance committee meetings clearly document the budget review and approval process?
- Can governing body members recall times when budget reports have revealed potential fiscal issues and members have worked with management to take corrective action?
- Do governing body members regularly review their fiscal policies and develop new, more efficient procedures as necessary?
- Does the governing body:
 - o Approve the organization’s annual Head Start budget and other major program budgets;
 - o Establish and adhere to procedures and guidelines for accessing, reviewing, and approving regular budget reports;
 - o Implement a system of checks and balances to ensure that proper internal controls are in place for expenditures; and
 - o Regularly analyze budget reports to monitor the organization’s financial health, compare actual fiscal performance against the budget, ensure that appropriate financial controls are in place, and initiate corrective action when indicated?

Select one of the following stages of development for this indicator.

- Needs Improvement
- In Process
- Strong

Provide comments explaining what led to your conclusion.



<p>Indicator #F2 – External Audit The governing body has responsibility for developing and formally adopting policies that establish control procedures and other requirements for financial operations in order to assess the fiscal health of the organization. (Federal audit requirements for organizations receiving Head Start and Early Head Start funding can be found in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards at 45 CFR 75.)</p> <p>Take Stock</p> <ul style="list-style-type: none"> • Are governing body members involved in the selection of a qualified and independent auditor? • Have governing body members thoroughly reviewed the most recent audit report and are all members familiar with the results? • Can governing body members recall times when they have worked with the Chief Financial Officer and the executive director during the audit resolution process to ensure compliance and avoid a repeat finding? • Does the governing body work with the executive director to take corrective actions, as warranted, to strengthen the organization’s financial management operations? • Have governing body members evaluated the relevance of audit findings and changed audit firms over time to ensure that audits are independent, objective, and useful to the organization? 	<p>Select one of the following stages of development for this indicator.</p> <p> <input type="radio"/> Needs Improvement <input type="radio"/> In Process <input type="radio"/> Strong </p> <p>Provide comments explaining what led to your conclusion.</p>
<p>Indicator #F3 - Managing Federal Funds There are many rules, regulations and guidance that an organization must incorporate into their fiscal management practices when they receive federal funds.</p> <p>Take Stock</p> <ul style="list-style-type: none"> • Does the organization have a track record of successfully managing programs supported by federal funds? • Is the governing body confident that the organization has a highly qualified chief financial officer and fiscal management staff who can manage federal funds based on their prior experience? • Has the governing body supported organizational staff in developing their professional skills and expertise related to managing federal funds • Do the chief financial officer and fiscal management staff have the ability to address compliance issues, especially as they relate to financial reporting requirements? 	<p>Select one of the following stages of development for this indicator.</p> <p> <input type="radio"/> Needs Improvement <input type="radio"/> In Process <input type="radio"/> Strong </p> <p>Provide comments explaining what led to your conclusion.</p>



STRATEGIC DIRECTION

One indicator has been included that programs will want to consider when assessing the strategic strengths of their governance readiness: (SD1) Strategic planning.

Indicator #SD1 - Strategic Planning

Governing bodies must participate in strategic planning in order to examine internal and community data and analyze trends. (The HSPPS require grantees to undertake community-wide strategic planning, and strategic planning is considered an integral part of program planning and service system design for Head Start and Early Head Start grantees. [HSPPS 45 CFR § 1302.11](#))

Take Stock

- Is the strategic plan a key reference point during the governing body's orientation and ongoing training?
- Can governing body members describe how they have worked with senior program managers on the development of a strategic plan?
- Can governing body members share examples of how they have used data to make decisions regarding the goals and objectives to be included in the strategic plan?

Select one of the following stages of development for this indicator.

- Needs Improvement
- In Process
- Strong

Provide comments explaining what led to your conclusion.



LEADERSHIP

Two indicators have been included that programs will want to consider when assessing the leadership strengths of their governance readiness: (L1) Oversight of organizational performance, (L2) Relationship with executive director.

Indicator #L1 - Oversee Organizational Performance

The governing body oversees organizational performance by monitoring and evaluating metrics of major programs, services, and initiatives. (The HSA and HSPPS require that governing bodies and Policy Councils (at agency level) and Policy Committees (at delegate level) use monitoring results and data on school readiness goals. [HSA Sec. 642 \(d\)\(2\)](#), [HSPPS 45 CFR § 1301.2 \(b\)\(2\)](#), [45 CFR § 1301.3 \(c\)\(2\)](#))

Continued

Select one of the following stages of development for this indicator.

- Needs Improvement
- In Process
- Strong

Provide comments explaining what led to your conclusion.



Continued from previous page

Take Stock

- Do organizational staff regularly share required reports with the governing body?
- Do reports contain information regarding core services and are they tied to monitoring results and data on school readiness?
- Do meeting minutes confirm that the governing body regularly reviews reports that provide information on the status of program services?
- Do governing body members utilize reports to determine the progress the organization is making in meeting organizational and strategic program-specific goals and measurable objectives?
- Can governing body members recall instances when they have used progress reports to identify trends and emerging issues with organizational performance and have worked with the executive director to address these issues and support the organization in meeting objectives?
- Do governing body members spend time observing program services in action in order to obtain their own perspective on program operations?

Indicator #L2: Relationship with Executive Director

The relationship between the governing body and the executive director is an important aspect of program governance. The roles and responsibilities of each must be understood, and work should be done in a collaborative manner.

Take Stock

- Are governing body members involved in the process of hiring the executive director?
- Do governing body members annually evaluate the performance of the executive director?
- Do governing body members have a system to include the opinions of parents, staff, and community members in the hiring and evaluation of the executive director?
- Does the executive director provide the governing body with regular, objective information about the organization's operations?
- Can governing body members, provide examples of ways they have worked with the executive director to provide leadership to the organization?

Select one of the following stages of development for this indicator.

- Needs Improvement
- In Process
- Strong

Provide comments explaining what led to your conclusion.



COMMUNITY RELATIONS

Two indicators have been included that programs will want to consider when assessing the community relations strengths of their governance readiness: (CR1) Community partners and stakeholders, (CR2) Communication strategies.

Indicator #CR1 - Community Partners and Stakeholders

Developing strong community relationships is a foundational aspect for every Head Start and Early Head Start program, and the governing body can play a role in establishing and monitoring these. (The HSPPS require that programs establish ongoing collaborative relationships and partnerships with community organizations.

[HSPPS 45 CFR § 1302.53](#))

Take Stock

- Are governing body members able to speak on behalf of the organization with community partners and stakeholders and create connections with resource providers who can benefit the organization and its programs?
- Can governing body members provide examples of ways they have enhanced community partnerships on behalf of the organization?
- Are governing body members actively involved with community organizations that will serve as effective partners and provide resources for the Head Start and/or Early Head Start Program?

Select one of the following stages of development for this indicator.

- Needs Improvement
- In Process
- Strong

Provide comments explaining what led to your conclusion.

Indicator #CR2 - Communication Strategies

Well-crafted internal and external communications strategies connect the program with staff, parents, community partners, key stakeholders, and the general public.

Take Stock

- Does the organization produce an annual report?
- Is the governing body aware of the contents of the annual report and can it provide examples of how this information is shared with the broader community?
- Does the organization regularly communicate its accomplishments both internally and externally through:
 - o Newsletters,
 - o Website content,
 - o Media outreach, and
 - o Other communication channels?
- Are strategies in place for the governing body to receive feedback and input from constituents?

Select one of the following stages of development for this indicator.

- Needs Improvement
- In Process
- Strong

Provide comments explaining what led to your conclusion.



DECISION-MAKING

Two indicators have been included that programs will want to consider when assessing the community relations strengths of their governance readiness: (D1) Constituent voice, (D2) Informed and inclusive process.

Indicator #D1 - Constituent Voice

Informed decision-making requires that a constituent voice is presented and responded to on an ongoing basis. (The HSA and HSPPS require that both the governing body and Policy Council (at agency level) and Policy Committee (at grantee level) include parents and community members. [HSA Sec. 642 \(c\)\(1\)\(B\)\(iv\)\(I\)](#), [Sec. 642 \(c\)\(2\)\(B\)\(ii\)](#), [HSPPS 45 CFR § 1301.2 \(a\)](#), [45 CFR § 1301.3 \(b\)](#))

Take Stock

- Does the governing body include parents and community members?
- Does the governing body include representation reflective of the variety of constituents served?
- Does the governing body carefully consider the opinions and recommendations of the Policy Council (at the agency level) and Policy Committee (at the grantee level) when making decisions?
- Do governing body members recognize that the opinions and ideas of those being served should be used to shape the organization and its service delivery systems?
- Are governing body members able to share examples of how they have utilized feedback from constituents in their decision-making?
- Does the governing body, when making decisions, have mechanisms in place for obtaining and considering the viewpoints of those being served?
- Are Policy Council (at the agency level) and Policy Committee (at the grantee level) and governing body meetings designed and scheduled to support a coordinated flow of information between the two groups that results in sound and inclusive decision-making?

Select one of the following stages of development for this indicator.

- Needs Improvement
- In Process
- Strong

Provide comments explaining what led to your conclusion.



Indicator #D2 - Informed and Inclusive Process

For governance to be most successful, members of the governing body must fully and meaningfully participate in the process, and a variety of perspectives should be welcomed.

Take Stock

- Are governing body meetings well attended?
- Does the process allow for the sharing of diverse expertise and perspectives?
- Do governing body members report that their views and the views of others are respected and considered during meeting discussions?
- Do governing body members receive a packet of materials prior to meetings so they can review the information and prepare for discussions?

Select one of the following stages of development for this indicator.

- Needs Improvement
- In Process
- Strong

Provide comments explaining what led to your conclusion.

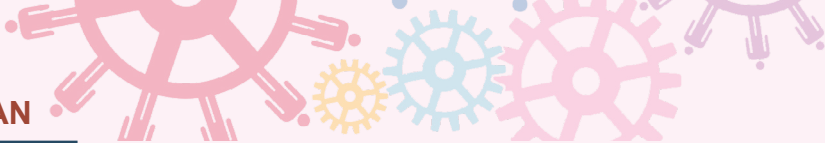


Section 3: GOVERNANCE READINESS PLAN

Part 1: You have taken a comprehensive look at the governance requirements in the Head Start Act and Head Start Program Performance Standards as well as policies and practices of high-functioning governing bodies as they relate to your own system of governance. Now, take time to review your governance Compliance Checklist and your Indicators Worksheet and summarize your responses in the table below. This will provide you with the foundation for creating your Governance Readiness Plan Action Steps and can serve as a one-page summary of your governance assessment that can be shared with others.

SUMMARY

	Responses from Compliance Checklist	Responses from Indicators Worksheet
Strong		
In Process		
Needs Improvement		



Governance Readiness Plan — Action Steps for Areas of Compliance

Part 2: Using the form below, identify each area of compliance that has not been fully met. Describe the steps you will take to meet the Head Start Performance Standard in these areas. If needed, be sure to identify and include where you will seek Head Start T/TA support. (If there are more than three areas that you are in the process of strengthening, make additional copies of this template as needed.)

Area of Compliance:		
Next Steps	Person(s) Responsible	Time Frame

Area of Compliance:		
Next Steps	Person(s) Responsible	Time Frame



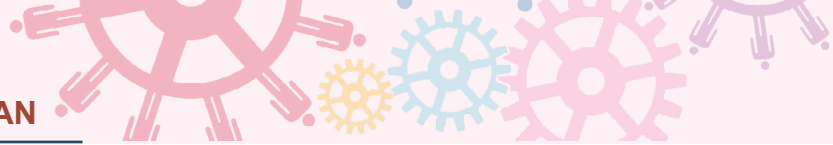
Area of Compliance:		
Next Steps	Person(s) Responsible	Time Frame

Governance Readiness Plan — Action Steps for Indicators

Part 3: Using the form below, identify each indicator that needs improvement or is in process. Describe the next steps you will take to advance your governing body’s practices in these areas. If needed, be sure to identify and include where you will seek Head Start T/TA support. (If there are more than three indicators that you are in the process of strengthening, make additional copies of this template as needed.)

Indicator:		
Next Steps	Person(s) Responsible	Time Frame

Section 3: GOVERNANCE READINESS PLAN



Indicator:		
Next Steps	Person(s) Responsible	Time Frame

Indicator:		
Next Steps	Person(s) Responsible	Time Frame