

## (Revised)-Head Start Program Performance Standards 2017: Administrative & Fiscal Regulations

(playful music)

Tercola Duram: Hello, I'm Tercola Duram and welcome to our overview of the administrative and fiscal regulations and the new Head Start performance standards.

Belinda Rinker: Thanks Tercola. And I'm Belinda Rinker. The new financial and administrative standards, go hand in hand with the financial requirements that are in the Head Start Act and those that are also in the recently updated administrative requirements, cost principles, and audit requirements, known as the Uniform Guidance. So, those things together, create a comprehensive and consistent set of financial requirements for grantees.

Tercola: So, you wanna talk a little bit about the goals for the new performance standards?

Belinda: Absolutely. One goal was to improve program quality, reduce the burden on programs, and improve regulatory clarity, and transparency. We reorganized and streamlined many sections and provisions to make them easier for grantees to read and understand. There are substantially fewer sections overall, and we divided the standards in our financial and administrative section into six subparts.

Tercola: Okay so, Belinda, how are the six subparts organized?

Belinda: I'll go through them in order. Then we'll talk a little bit more about each of the subparts. So, subpart A outlines the financial requirements. Subpart B focuses on the administrative requirements. Subpart C implements statutory provisions to manage and protect personally identifiable information and records. And subpart D outlines the requirements for delegation of program operations. Subpart E talks about how grantees engage in facilities activities. And finally, subpart F describes transportation requirements.

Tercola: Now that we know how the administrative and financial requirements are organized, can you discuss a few of the changes that were made, as well as highlight some of the reasons why we made those changes?

Belinda: Absolutely, we won't be able to highlight everything, or every single revision, but we really encourage everyone to take some time, read through this section. It has several different subparts with different purposes. And so it's important to take some time with those and also get familiar with the definitions. If there are questions, people can use the contact us feature on the Early Childhood Learning and Knowledge Center or ECLKC website to submit questions.

Tercola: Great, that was some helpful information Belinda. So, at a high level, the financial and administrative requirements, help grantees to be sure they are properly managing their grant funds. Property, information, transportation, and delegant agency arrangements. Is that right Belinda?

Belinda: Yes, these requirements don't so much focus on the delivery of program services, but more on the responsibilities that go along with receiving a Head Start award. We also made sure that these regulations direct grantees to other applicable fiscal and administrative requirements in the Head Start Act and the Uniform Guidance.

Tercola: By focusing on the performance standards, the new financial and administrative requirements are mostly in part 1303. We also know how important it is to look at the definitions as Belinda said in 1305.2, since many financial and facility terms are defined there. Belinda, are there any subparts that you particularly would like to highlight?

Belinda: Yes, I'd like to start by focusing on the facilities regulations in subpart E. With prior approval Head Start grantees can continue to make major renovations, do construction, and purchase facilities with Head Start funds. But we know that facilities funding can be substantial amounts and that facilities should support program operations for many years.

So, subpart E still includes the kind of detailed guidance that a grantee needs to submit their application for funding and also instructs them on how to protect the federal interest in facilities. And at a high level, there are fewer regulations in this section than there were previously. And, they're more aligned with how facilities projects typically unfold.

So, there's clear guidance related to mortgages and other financing arrangements. We also talk about leased property and some restrictions that apply when facilities activities are done on lease property. And the contents and the filing requirements that are associated with notices of federal interest.

Tercola: Just a reminder, that instead of being integrated into the different sections, all definitions are gathered in section 1305.2 as we mentioned earlier. So, when viewers are reading the financial and administrative regulations, they should also read the associated definitions to get a full picture of each of the regulations.

Belinda: That's a good point Tercola and now that I've focused a little bit on facilities, can you talk more about the fiscal regulations in the performance standards?

Tercola: Sure, Belinda. I'm gonna talk first about what the new performance standards didn't change. All of the financial requirements in the Head Start Act still apply. There are things like the 15 percent administrative cost limitations, the non-federal match requirements, and compliance with the Davis-Bacon Act. Also, the financial requirements, in the Uniform Guidance, continue to apply to Head Start awards.

Belinda: And in addition to that, are there other things that are new that you wanna highlight as well?

Tercola: But, of course. Well we've established a risk assessment approach to insurance and bonding, so that grantees can get insurance appropriate to their unique circumstances.

Belinda: And another area where there are changes is in subpart D, delegation of program operations. Now, grantees are required to choose their delegates, enter into delegate agency agreements, oversee performance, and under certain circumstances, terminate their delegate agency agreements.

All delegate agency agreements have to include dispute resolution procedures and they must be approved by the regional office before contracting with the delegate agency. But once those contracts are in place, there are no appeals rights to the office of Head Start when an agreement ends.

Tercola: I also want to highlight a new staff qualification requirement. This requirement applies only to fiscal officers hired after November 7, 2016. The regulation requires that fiscal officers either be a CPA or have a bachelor's degree in accounting, business, fiscal management, or a related field.

Belinda: Alright then, to sum things up, there's a lot of important information in the new financial and administrative requirements. The regulations cover a broad range of topics. Including facilities, delegation of program operations, and the protection of child records, transportation. And these regulations taken together need to be read along with the Head Start Act and the Uniform Guidance. We need to remember to check those definitions in section 1305.2 and the other fiscal requirements that are elsewhere in the performance standards, like the fiscal officer qualifications.

Tercola: Thank you, Belinda for the nice wrap-up. We wanna thank our viewers for their dedication in implementing the new Head Start performance standards. Thanks everyone.

(playful music)