



Gladys Carrión
Commissioner

MEMORANDUM

Susan Nuccio
Deputy Commissioner/
Chief Financial Officer
Financial Services

DATE: March 11, 2015

TO: EarlyLearn Head Start Providers

Courtney LeBoriosis
Financial Services
Assistant Commissioner,
Budget

FROM: Courtney LeBoriosis 

**SUBJECT: Head Start New Program Year and Sub-reporting Period
Began February 1, 2015 (45 CFR§74.28 and 45 CFR§92.23)
EL Numbered Memorandum #18**

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Please be reminded that February 1, 2015 was the beginning of the new Head Start grant year called Program Year 02 (PY02). Therefore, all Head Start, UPK Head Start and non-Federal Match reporting for July through January must be closed out and agencies should be using a new fund account for PY02 beginning February 1st.

Items to Keep in Mind:

1. There are two Head Start grant Program Years (PY) within each City Fiscal Year (FY). The Head Start grant year runs from February 1st through January 31st. The chart below is a crosswalk between City FYs and Head Start PYs:

Fiscal Year	Program Year 01 <i>from/to</i>	Program Year 02 <i>from/to</i>	Program Year 03 <i>from/to</i>
FY14	2/1/2014 6/30/2014		
FY15	7/1/2014 1/31/2015	2/1/2015 6/30/2015	
FY16		7/1/2015 1/31/2016	2/1/2016 6/30/2016
FY17			7/1/2016 1/31/2017

2. Your accounting system must ensure correct allocation of all expenses to the appropriate PY.
3. All Head Start, non-Federal Match, Head Start UPK and UPK Quality Enhancement expenses must be correctly allocated by Head Start PY.
4. Payroll periods that include time in both January and February should be appropriately allocated to PY01 and PY02.
5. Head Start Purchases and Repairs Funded Within the Daily Rate:
 - a) These must be accrued to the correct PY. Purchases and repairs may be recognized in the PY a purchase order was placed or

contract was signed. Delivery of goods, completion of repairs and all payments must be made within 90 days of the end of each program year.

6. Head Start Purchases and Repairs Funded Outside of the Daily Rate as Directed by ACS Facilities:
 - a) Head Start funded disbursements for repairs or special purchases must be allocated to the correct PY.
 - b) Head Start Sandy Grant funded expense reporting must be kept separate from all other Head Start funds which are not part of PY01 or PY02.
7. Subsequent journal entries like those required when additional UPK funds are substituted for Head Start at year-end must be allocated to the correct PY.
8. FY15 Audit guidelines will require you to meet these requirements and report each PY periods separately.

Failure to properly allocate Head Start related expense by program year may result in under reporting actual PY01 expense and may put the grant funding at risk. Any expenditure charged to the wrong program year would result in a contractor disallowance and could impact a future payment.

If you have any questions please contact your EarlyLearn Budget Analyst.