



Gladys Carrión  
Commissioner

**MEMORANDUM**

Susan Nuccio  
Deputy Commissioner/  
Chief Financial Officer  
Financial Services

**DATE:** January 25, 2016

**TO:** EarlyLearn NYC Head Start Fiscal and Executive Directors

**FROM:** Jose Mercado *J.M.*

Jose Mercado  
Chief Program Officer  
Financial Services

**SUBJECT: EarlyLearn: Head Start providers only.  
Head Start New Program Year and Sub-reporting Period to Begin  
February 1, 2016 – EL-Head Start Numbered Memorandum #21**

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Please be reminded that February 1, 2016 is the beginning of a new Head Start grant year called Program Year 03 (PY03). Therefore, all Head Start, UPK Head Start and non-Federal Share reporting for July 1, 2015 through January 31, 2016 must be closed. Delegates should establish a new cost center for PY03 beginning February 1<sup>st</sup>, 2016.

**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 1<sup>st</sup> through January 31<sup>st</sup>. 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 and revenue to the appropriate PY.
3. All Head Start, non-Federal Share, Head Start UPK and UPK Quality Enhancement expenses and revenue must be correctly allocated by Head Start PY.
4. Payroll periods that include time in both January and February should be appropriately allocated to PY02 and PY03.
5. Head Start Purchases and Repairs Funded Within the Daily Rate:
  - a) These must be expensed to the correct PY. 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 purchased 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 PY02 or PY03.
7. Subsequent journal entries or reclassifications like those required when additional UPK funds are substituted for Head Start at year end must be reflected in the correct PY.
8. FY16 Audit guidelines will require you to meet these requirements and report each PY period separately.

Failure to properly allocate Head Start related expense by Program Year may result in under reporting PY02 expenses 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.