



NYC Administration for Children's Services

**Administrative Advisory for Head Start
Parent Activity Fund**

Fiscal Year 2018

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Table of Contents

Introduction.....	3
Grantee Responsibility.....	4
Policy Committee 1301.3.....	4
Parent Committee - 1301.4	5
Parent Activity Fund Guidelines.....	5
Appendix I – Definition of Terms	9
Appendix II – Specially Unallowable Costs.....	10
Appendix III - Reference	11
Appendix IV – Sample Request Form	12
Appendix V: Policy Committee Budget Template	13
.....	13

Introduction

The parent activity fund is allocated from the Head Start budget for parent committees to plan, develop and implement projects and activities. *Parent activity funds* may be used for program enrichment, educational and recreational experiences deemed consistent with the Head Start Performance Standards and agency policy.

The goal is to ensure that Head Start budgeted funds are used in accordance with Federal regulations. Through this Advisory, the Administration for Children's Services' (ACS) Division of Financial Services (DFS) provides general guidelines to support parent committees in making sound and reasonable decisions regarding the use of *parent activity funds*.

Grantee Responsibility

Head Start agencies shall establish and maintain formal structures for program governance, for the oversight of quality services for children and families and for making decisions related to program design and implementation. ACS, as grantee/pass through entity, is responsible for monitoring the activities of delegate agencies/sub-recipients to ensure that the sub-award is used for authorized purposes in compliance with Federal statutes, regulations, and the terms and conditions of the sub-award, and that sub-award performance goals are achieved. Monitoring of delegate agencies must include reviewing financial and performance reports required by the ACS.

Policy Committee 1301.3

In accordance with the ACS EarlyLearn Fiscal Manual, each delegate agency must establish and maintain a policy committee at the delegate level.

Duties and responsibilities

A policy committee must approve and submit to the delegate agency its decisions in each of the following areas referenced at section 642(c) (2) (D) (i) through (vii) of the Head Start Act.

A policy committee must use ongoing monitoring results, data on school readiness goals, other information described in §1302.102, and information described in section 642(d)(2) of the Act to conduct its responsibilities.

Composition

A program must establish a policy committee in accordance with section 642(c) (3) of the Act, as early in the program year as possible. Parents of children currently enrolled in each program option must be proportionately represented on the policy council and on the policy committee at the delegate level.

The program must ensure members of the policy committee do not have a conflict of interest pursuant to sections 642(c) (2) (C) and 642(c) (3) (B) of the Act. Staff may not serve on the policy committee except for parents who occasionally substitute as staff.

Term

- A member will serve for one year.
- If the member intends to serve for another year, s/he must stand for re-election.
- The policy committee must include in its by-laws how many one-year terms, not to exceed five terms, a person may serve.
- A program must seat a successor policy committee before an existing policy committee may be dissolved.

Reimbursement

A program must enable low-income members to participate fully in their policy committee responsibilities by providing, if necessary, reimbursements for reasonable expenses incurred by the low-income members.

Parent Committee - 1301.4

(a) *Establishing parent committees.* A program must establish a parent committee comprised exclusively of parents of currently enrolled children as early in the program year as possible. This committee must be established at the center level for center-based programs and at the local program level for other program options. When a program operates more than one option, parents may choose to have a separate committee for each option or combine membership. A program must ensure that parents of currently enrolled children understand the process for elections to the policy council or policy committee and other leadership opportunities.

(b) *Requirements of parent committees.* Within the parent committee structure, a program may determine the best methods to engage families using strategies that are most effective in their community, as long as the program ensures the parent committee carries out the following minimum responsibilities:

- (1) Advise staff in developing and implementing local program policies, activities, and services to ensure they meet the needs of children and families;
- (2) Have a process for communication with the policy council and policy committee; and
- (3) Within the guidelines established by the governing body, policy council or policy committee, participate in the recruitment and screening of Early Head Start and Head Start employees.

Parent Activity Fund Guidelines

Intent and administration of parent activity fund

The parent activity fund is included in the program budget to provide parents the means to carry out their roles and responsibilities including planning, developing and implementing projects of interest that specifically aim to increase their skills as knowledgeable leaders and advocates within their community. The fund should be spent on the basis of project relatedness and must not be used on activities that are solely for entertainment. Entertainment can be defined as cost of amusement, diversion, social activities, ceremonials and incidental costs relating thereto, such as meals, lodging, transportation and gratuities.

Allocation of funds

ACS Finance policy effective August, 2017 outlines that each delegate agency shall provide no less than \$30 and no more than \$35 per budgeted Head Start slot for the Head Start parent committee budget each fiscal year. The budget period must take into account the ACS Head Start grant program year (February through January) and fiscal year (July through June) using a 5/12 or 7/12 methodology. ACS will consider amounts in excess of \$35 per slot with appropriate justification and approval by all parties.

The Head Start policy committee of each ACS delegate agency manages a parent activity fund to meet the goals and obligations of their respective committees. All ACS Head Start providers shall use or update their current process to include the following guidelines:

1. Finalize the amount of the budget for each fiscal year (3-6 months before the beginning of the program year):
 - a. Obtain notification from the delegate agency finance office about the amount of funds to be awarded to the parent committee for the upcoming year.
 - b. Decide on the activities the parent committee would like to fund in the coming year. These activities must be consistent with Head Start goals and policies and the goals of the delegate agency. To ensure that the parent committee has thoughtfully planned a simple narrative is required for back-up of all budgeted expenditures. This requires the committee to plan for the full upcoming year including the amounts for refreshments, activities, transportation costs, training or other events.
 - c. Develop each budget line based on the individual delegate agency's chart of accounts. ACS has an example of a budget document that can be used for budget preparation and monthly reporting.
 - d. The budget should be broken down by budget line using the following categories:
 - i. Contractual
 - Trainer providing educational activity
 - Instructor fee
 - ii. Food (Refreshments) limited to 25% of the total Parent Activity budget
 - iii. Other Than Personnel Service
 - Supplies
 - iv. Transportation
 - Metro Cards for parents to travel to meetings
 - Leasing a bus for an approved field trip
2. Each budget sub-category should correspond with one of the four approved spending activity categories:
 - a. Parent Education
 - b. Community Activities
 - c. Transportation
 - d. Refreshments (no more than 25% of the total budget)
3. No rolling over of unspent funds is allowed. Unspent funds cannot be rolled from one program year to another or from one fiscal year to another.

4. A separate budget for Non-Federal Share must be submitted with the parent activity budget.

Budgeting Activity

- At the delegate agency level, the parent activity budget must be approved by:
 - the parent committee
 - the delegate agency liaison
 - the governing board
 - the finance department.
- At the ACS grantee level the parent activity budget must be reviewed and approved by:
 - ACS CFWB
 - ACS Budget Department
- Budget modification (which entails moving funds from one line to another line) must be justified in writing. Any modification greater than 10% must be submitted to ACS CFWB and Budget for approval.
- Refreshments (food) costs cannot exceed 25% of total budget.
- The delegate agency cannot reduce the parent activity budget without prior written approval of the parent committee, ACS CFWB and ACS Budget.
- The parent activity budget cannot be increased without approval by ACS CFWB and ACS Budget.

Expenditure of funds

In general, parent activity funds are to be spent according to the following percentages:

25% - Refreshments

75% - parent educational, recreational, community activities and transportation (See Definition of Terms under Appendix I).

1. Written request to spend parent activity funds must be approved by the following:
 - a. Parent Committee
 - b. Delegate Agency Liaison
 - c. Program Director
 - d. Finance Director
2. The parent committee must follow the delegate agency's policies and procedures for all purchases, including documentation of price comparisons and purchase orders, when necessary.
3. Some purchases may be made from petty cash but they must follow the agency's approved procedures.
4. Policy committees must maintain records for review by ACS and other oversights, when requested.

Spending Reports

Parent committees are required by the Head Start 2007 Reauthorization Act to receive and review reports on a monthly basis. The delegate agency's finance department must prepare specific

monthly reports on parent activity expenditure, in addition to the required monthly reports all Head Start delegate agencies must provide to the governing board and policy committees. The use of the ACS-developed template is recommended but each delegate agency may use its own template if the design meets the following minimum standards:

1. Shows the original approved budget for the reporting period (since ACS uses a fiscal year and the grant is based on the February through January program year the budget must be broken into grant years)
2. Show spending for current reporting month by budget line
3. Show cumulative spending through the reporting month by budget line
4. Show remaining budget amount or variance
5. Show the date and name of person who prepared the report

For further details, please refer to the *“Parent Activity Fund Guidelines”* revised July, 2017.

Appendix I – Definition of Terms

Refreshments

Refreshments consist of any food or beverage served at a parent or family function conducted by a Head Start center, whether at a Head Start site or on a trip. Funds under this category may be spent for such food or beverages (alcohol prohibited) or for utensils or consumables with which to serve them, i.e., paper goods, coffeepot, etc. Twenty five percent of the total of a delegate agency's Parent Activity Funds may be used in this category.

Parent Education Activities

Educational activities for parents consist of training classes, workshops, trips within the city, tours, etc. Educational activities may cover a wide variety of subjects; computer, language and office skills; volunteer training, family literacy; transition; visits to cultural institutions, etc.

Funds in this category may be spent for instructors' fees, the purchase or rental of equipment or books, (as per the above guidelines), workshop supplies, etc. Fees for instructors should be proportionate to the suggested percentages indicated above.

Other permissible parent education activities include: taking parents on a field trip to the zoo and paying their entrance fee; a family photo evening when the school photographer comes to take the children's photograph and using the parent activity budget to pay some or a portion of the additional cost for the family portraits.

Community Activities

Funds in this category may be used to support the involvement of parents in community affairs and issues of common concern. For example, health, elementary school education, housing, safety, violence preventions, etc.

Transportation

Funds in this category may be spent for local transportation or toward fees for leasing buses for parent or family trips. These funds may also be used for expenses incidental to parents participating in out-of-town conferences that are relevant to meeting the needs of Head Start children and families.

Appendix II – Specially Unallowable Costs

§75.423 Alcoholic beverages. – Costs of alcoholic beverages are unallowable.

§75.438 Entertainment costs. – Costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable.

§75.442 Fund raising and investment management costs. – Costs of organized fundraising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions are unallowable.

§75.445 Goods or services for personal use. – Costs of goods or services for personal use of the non-Federal entity's employees are unallowable regardless of whether the cost is reported as taxable income to the employees.

§75.450 Lobbying. – The cost of certain influencing activities associated with obtaining grants, contracts, cooperative agreements or loans is unallowable.

§75.474 Travel costs. - Travel costs associated with employees who engage in long-distance travel are generally eligible for reimbursement for lodging, meals, and incidentals, to the extent that such costs are reasonable and allowable, as per the sub-recipient's written travel policy. The method of reimbursement for such costs must be in keeping with the sub-recipient's written travel reimbursement policies. Employees who engage in local travel are generally not eligible for lodging, meals, and incidentals.

The sub-recipient may establish procedures to afford parents the opportunity to participate in the development and overall conduct of the program at the local level, including transportation assistance as appropriate.

Appendix III - Reference

The 2007 Head Start Reauthorization Act clearly lays out the roles and responsibilities of delegate agency policy committees. – Head Start 2007 Reauthorization Act 642(c)

(3) Policy Committees- Each delegate agency shall create a policy committee, which shall—

(A) be elected and composed of members, consistent with paragraph (2)(B) (with respect to delegate agencies);

642(c)(2)(B) COMPOSITION AND SELECTION-

(i) The policy council shall be elected by the parents of children who are currently enrolled in the Head Start program of the Head Start agency.

(ii) The policy council shall be composed of--

(I) parents of children who are currently enrolled in the Head Start program of the Head Start agency (including any delegate agency), who shall constitute a majority of the members of the policy council; and

(II) members at large of the community served by the Head Start agency (including any delegate agency), who may include parents of children who were formerly enrolled in the Head Start program of the agency.

(B) follow procedures to prohibit conflict of interest, consistent with clauses (i) and (ii) of paragraph (2)(C) (with respect to delegate agencies); and

642(c)(2)(C) CONFLICT OF INTEREST- Members of the policy council shall

(i) not have a conflict of interest with the Head Start agency (including any delegate agency); and

(ii) not receive compensation for serving on the policy council or for providing services to the Head Start agency.

(C) be responsible for approval and submission of decisions about activities as they relate to the delegate agency, consistent with paragraph (2)(D) (with respect to delegate agencies).

642(c)(2)(D) RESPONSIBILITIES- The policy council shall approve and submit to the governing body decisions about each of the following activities:

(i) Activities to support the active involvement of parents in supporting program operations, including policies to ensure that the Head Start agency is responsive to community and parent needs.

(ii) Program recruitment, selection, and enrollment priorities.

(iii) Applications for funding and amendments to applications for funding for programs under this subchapter, prior to submission of applications described in this clause.

(iv) Budget planning for program expenditures, including policies for reimbursement and participation in policy council activities.

(v) Bylaws for the operation of the policy council.

(vi) Program personnel policies and decisions regarding the employment of program staff, consistent with paragraph (1) (E) (iv) (IX), including standards of conduct for program staff, contractors, and volunteers and criteria for the employment and dismissal of program staff.

(vii) Developing procedures for how members of the policy council of the Head Start agency will be elected.

(viii) Recommendations on the selection of delegate agencies and the service areas for such agencies.

Appendix IV – Sample Request Form

A B C AGENCY

SAMPLE REQUEST FOR PARENT ACTIVITY FUNDS

Classroom: _____ Date: _____

Parent Committee President submitting request: _____

Description of the event for which the funds are requested:

Amount of funds budgeted: _____ Amount of funds requested: _____

Date of event: _____ Time: _____ Location: _____

Date funds are needed: _____

Name of person responsible for obtaining and verifying receipts? _____
(Attach minutes of the meeting with a record of the parent committee vote to use the parent activity funds)

Policy Council approval _____ Date: _____

FOR OFFICE USE ONLY

Account: _____

Paid by check No: _____

Check amount: \$ _____

Balance due to account: \$ _____

Receipts attached:

Program Director _____

Appendix V: Policy Committee Budget Template

Head Start Delegate Agency Policy Committee Budget
Program Year:

Federal Head Start	Budget TOTAL	Budget 5-Month	7-month
Budget Line 1 (include Approved Activity area)	\$12.00	\$5.00	\$7.00
Budget Line 2 (include Approved Activity area)	\$12.00	\$5.00	\$7.00
Budget Line 3 (include Approved Activity area)	\$12.00	\$5.00	\$7.00
Budget Line 4 (include Approved Activity area)	\$12.00	\$5.00	\$7.00
Total Federal Head Start	\$96.00	\$40.00	\$56.00

Non-Federal Share	Total Budget	5-month	7-month
NFS Line 1 (include Approved Activity area)	\$4.80	\$2.00	\$2.80
NFS Line 2 (include Approved Activity area)	\$4.80	\$2.00	\$2.80
NFS Line 3 (include Approved Activity area)	\$4.80	\$2.00	\$2.80
NFS Line 4 (include Approved Activity area)	\$4.80	\$2.00	\$2.80
Total Non-Federal Share	\$24.00	\$10.00	\$14.00

Total Head Start Program	\$120.00	\$50.00	\$70.00
Federal % (Max is 80%)	80.0%	80.0%	80.0%
Non-Federal % (Min is 20%)	20.0%	20.0%	20.0%

This template shows a sample budget using \$12 per budget line to project how a 5/12 and 7/12 split would appear to break out by fiscal year. The total Non-Federal Share is 25% of Federal funding or 20% of the total budget and is shown in the percentages on the bottom.