

BUDGET AND FINANCIAL GUIDELINES

Intermediate Schools Districts (ISDs) receive one allocation to operate the program classroom and Family Partnership Process components of Strong Beginnings, and a separate transportation allocation for each program providing transportation from Clinton County RESA (CCRESA). In addition, they receive start-up funds for each new classroom for the purchase of durable equipment and supplies, including child safety restraint systems for buses, or small renovations. If two part-day sessions operate in the same classroom, one start-up allocation will be made for that classroom. No Strong Beginnings funds will be available for carryover.

ISDs may choose to operate in consortium with one or more ISDs, with one ISD assuming the role of fiscal agent. The ISD may have subcontractors (called subrecipients in GSRP and referred to as program providers in Strong Beginnings), choose to directly run Strong Beginnings or have a combination of these options. Whether the ISD directly provides classroom or Family Partnership Process programming or names eligible program providers to do so, the ISD has the responsibility to assure CCRESA that allocated funds are used to provide high-quality programming and services that are aligned with the Michigan Early Childhood Standards of Quality (ECSQ) for Pre-K and meet all Strong Beginnings requirements.

Systems Used for Reporting

All pilot Strong Beginnings financial reporting is completed using Google Drive. Each ISD will have a folder that is shared with appropriate staff at CCRESA and the ISD. All ISD budgets, invoices and FERs, as well as those of program providers, will be completed in or uploaded to the appropriate sub-folder in Google Drive.

ISD budgets and FERs will be completed on Excel spreadsheets created by CCRESA. The line numbers, items and explanations will be those utilized by GSRP with the addition of some relevant only to Strong Beginnings. In addition, PDFs of a signature sheet for ISD designated program and finance officials will be required in the sub-folder. While only ISD level budgets and FERs will be approved and monitored for spending, it is required to upload program provider budgets and FERs approved by the ISD for data analysis purposes.

Each ISD invoice will have two parts. First, the ISD will input the amount expensed in the invoiced time frame on each line of the approved budget. This will be done on an Excel spreadsheet prepared by CCRESA that will allow both the ISD and CCRESA to track expenses against approved budget amounts. The ISD will also submit a PDF of the requested amount, invoice time frame, designated program and finance officials signatures and a general ledger summary with backup for each of the expenses entered on the Excel spreadsheet. In addition, once each fiscal year, ISDs will be requested by CCRESA to upload general ledgers from each of their program providers that detail expenses for payments made to them. Once

budgets have been approved, ISD invoices will be paid within 30 days of submission.

Budget Guidelines

Strong Beginnings funds are appropriated annually based on the CCRESA fiscal year; specifically, July 1 through June 30. CCRESA issues awards to ISDs based on this fiscal year. If funds are awarded to ISDs after July 1 (as is the case for cohort 1), the spending period for those funds still ends June 30. Funds are not available for carryover.

Funds for Strong Beginnings are tracked and reported separately from those received from other funding streams. ISDs are required to maintain separate ledgers (cost centers) for each individual allocation to include start-up funds, program funds, transportation funds, and over-income tuition funds. General ledger information needs to align with budgets and final expenditure report information. Revenue is not allowed to be earned on any Strong Beginnings funds. See the resources for this section for documents to assist with budgeting.

Strong Beginnings funds may be used to pay for the following:

- Required Program Evaluation Tool (PQA-R, CLASS[®]) for each classroom as well as funds for a second tool if the program desires;
- Instructional and Family Partnership Process materials and supplies;
- Diapers, wipes and other supplies used in diaper changing/learning to use the toilet
- Personal protection equipment (PPE) used to reduce COVID-19 outbreaks
- The cost for breakfast, lunch and/or snack over and above all reimbursements the program is eligible for from applicable federal food programs. See Use of Federal Food Programs below.
- Lead teacher, associate teacher, early childhood specialist, and aide salaries and fringe benefits;
- Family Liaison and Family Liaison Supervisor salaries and fringe benefits;
- Bonuses and incentive payments (only in certain circumstances; refer to Bonuses and Incentive Payment section below for further information);
- Parent involvement activities;
- Transportation for students;
- Health support services;
- Student support services;
- Staff development, reflective supervision and teacher/parent training for classroom and Family Partnership Process related staff;
- Travel necessary to enable project staff to implement the early childhood and Family Partnership Process program;
- Office supplies and materials;
- Communication;
- Printing and binding of Strong Beginnings related materials:

- A prorated amount of rent/mortgage payment or lien when the lessee and the lessor are two separate legal entities;
- Construction or renovation projects. All construction or renovation projects over \$5,000 (as well as each piece of equipment costing over \$5,000) MUST BE PREAPPROVED by the ISD and a CCRESA Implementation Consultant. If even a portion of any capital outlay item is charged to GSRP, CCRESA approval is required before the cost is incurred. CCRESA approval is requested through submission of a completed Capital Outlay Request form. This form can be found in the resources to this section. For more information on Capital Outlay, see Capital Outlay below.
- Furniture such as shelving and equipment; and
- Up to 4% administrative costs and 2% for outreach and recruitment costs incurred by the ISD for administration of the program. Strong Beginnings will use the legislated GSRP description of administrative costs for this purpose. See the 4% Administrative Costs section below.

Strong Beginning funds MAY NOT be used to pay for:

- Existing administrative, educational, or support personnel funded through other sources;
- Costs that should be covered by Special Education;
- Any costs associated with breakfast, lunch and/or snack if the program does not participate in federal food programs for which it is eligible. Exceptions do apply, see Use of Federal Food Programs and State Funded Preschool below;
- Supplemental curriculum, materials or assessments;
- Any state tax, including sales and property tax, when an organization is tax exempt;
- Maintenance, utilities, or any other costs when included in a rental agreement or any other agreement;
- Depreciation or amortization;
- Gift cards to make purchases or use as incentive payments for employee or contracted employee use or for parent participation within advisory committees. (Per Section 380.1814 of The Revised School Code Act 451 of 1976, a person shall not use public funds for purchasing gifts.)
- Indirect costs; the 4% administrative costs are intended to cover expenditures to administer Strong Beginnings.

This list is not all inclusive. Please contact CCRESA Implementation Consultants if you have questions.

ISD Budget Detail

Three separate budgets are required; (1) a program budget based on the award accepted for Strong Beginnings that includes costs for classroom programs and the Family Partnership Process; (2) a transportation budget for Strong Beginnings to document use of the transportation award accepted for the ISD; and (3) a durable

equipment and supplies/minor renovations budget for the \$15,000 classroom start-up award.

Budget descriptions must be clearly stated to ensure consistency and faster budget approval. The ISD must ensure that all expenditures are approvable. Each entry must provide clear information to determine the allowability of planned expenditures. Detailed items must be reasonable for the quality of the project activities proposed, include appropriate function and object codes, and, in total, not exceed the maximum administrative costs, where applicable. Items reported under Purchased Services must clearly identify personnel, materials, or services. Salary and benefit descriptions must be included for each category of employee.

The ISD must maintain a program budget that contains only those costs that are not reimbursed or reimbursable by other federal funding streams, that are clearly and directly attributable to Strong Beginnings, and that would not be incurred if the program were not being offered

Program Provider Budget Detail

The ISD is the fiscal agent for all Strong Beginnings funds. The ISD is required, at a minimum, to receive, share with CCRESA and keep on file, yearly budgets and FERs separately for all Strong Beginnings funds, including classroom, Family Partnership Process and transportation. Individual program provider budgets and FERs are required documentation for a fiscal review and must be provided to CCRESA yearly. Templates and other documents are available in the resources to this section. For cohort 1 the program provider budget is due to CCRESA January 8, 2021. The FER is due on August 30, 2021.

For program providers, the ISD is only required to enter a total amount for all object codes in the applicable 400 function codes within the overall ISD budgets and FERs. Each object code, with the exception of Salaries and Benefits and Capital Outlay, which are reported on the same line, must be reported on separate lines. Descriptions must be used as below:

- Function code 411 – Total Districts/PSAs
- Function code 441 – Total For-Profit, Public or Private CBOs
- Function code 445 – Total Non-Profit CBOs, College/Universities and Head Start

4% Administrative Costs

An ISD or consortium of ISDs may retain an amount not to exceed 4% of the total Strong Beginnings award for administrative services provided by the ISD. Function Codes 23X, 24X, 25X, and 28X are considered administrative. Administrative expenses are required to be designated as such in the budget and FER descriptions including the start up, program and transportation budgets.

Expenses incurred by program providers or the ISD for directly running portions of the programs (both classroom and Family Partnership Process) shall be considered

program costs or a contracted program fee for service and are not subject to the 4% limitation.

There can be instances where an ISD is at or below the maximum administrative limit and still have excessive administrative costs for a position or service. There can also be instances where an ISD needs to classify an item as a dual benefit cost and in these instances, the ISD is permitted to use cost sharing. The ISD must document the allocation of cost sharing. For example, the duties for a local program administrator are split between administrative and programmatic functions. The ISD may permit cost sharing with proper supportive documentation, by using a position description and a spreadsheet that demonstrates the rationale for the cost sharing. In this instance, costs must be designated as administrative and/or programmatic. The documentation that justifies cost sharing must be kept on file for a fiscal review.

Before submitting the budgets and FERs, the ISD must ensure that detailed administrative items are reasonable and necessary for the quality of the activities proposed, include proper function codes and descriptions, and are properly allocated between administration and program services.

Personnel Rules

Salaries budgeted for personnel must be accompanied by a budgeted amount for benefits even if that amount is "0." Full Time Equivalent (FTE) or hours must be designated for each individual or category of individuals. A 1.0 FTE is viewed as the equivalent of 40 hours/week, whether the individual is contracted to work the full calendar year or the school calendar year. Hours budgeted must equal the total hours of expected work per year.

ISDs and program providers must include personnel last names in their budget detail descriptions and FERs for monitoring and auditing purposes.

If staff are hired using an agency, any fee paid to the agency for the provision of staff is to be considered an administrative cost and is reported separately in function code 283.

Bonuses and Incentive Payments

Bonuses and incentive payments that exceed the contracted salary are allowable only for employees who are actively participating with the TEACH statewide scholarship program. A documented percentage or lump sum payment schedule must be established--e.g. based on hours worked, length of employment, etc.-- along with an implemented written policy/procedure to ensure consistency of these payments. Bonuses and incentive payments are subject to applicable income taxes.

Programs may offer and pay a lump sum "incentive" to new hires over and above the salary/wage offered. This payment is specific and limited to new staff at the time of hire. Other bonuses and incentive payments that exceed the contracted salary amount, regardless of being coded as a salary or a benefit.

Outreach and Recruiting

An ISD and/or subcontractors may incur costs for outreach, recruitment, and public awareness of the program but the total must not exceed 2% of the total award amount for Strong Beginnings. ISDs are encouraged to pool funds for outreach and recruiting allocated from Strong Beginnings and GSRP and mount one unified outreach and recruiting campaign rather than taking a separate approach for each program. If needed, efforts can be made to target recruitment to particular age groups, geographic regions or racial/ethnic groups. Recruitment and enrollment costs must be clearly identified in the budget and FERs.

An ISD or program provider(s) can provide the outreach, recruitment and public awareness costs, or these costs can be a collaborative approach between the ISD and subcontractor(s), but total costs cannot exceed the 2%. ISDs must have a written policy describing the process including the entities (ISD and/or program providers) that will be providing the outreach, recruitment, and public awareness. Outreach, recruitment, and public awareness costs are not considered administrative costs and are calculated separately. Refer to the *Recruitment and Enrollment* section of this manual.

Use of Transportation Funding

Transportation services include costs, either in full or appropriately prorated, for child safety restraint systems, additional or extended bus routes/bus runs/mileage, fuel, vehicle maintenance or modifications, drivers, bus aides and school buses or other costs related to transportation. Depreciation is not an allowable expense for Strong Beginnings transportation.

The total transportation funding pool for Strong Beginnings includes \$200 per child for cohort 1 and \$300 per child for cohort 2. Initial transportation budgets, based on program requests, are due to CCRESA on January 8, 2021 for cohort 1. ISDs will be informed of their final transportation budget allocation on January 22, 2021 and must submit their final transportation budget to CCRESA on February 5, 2021. Transportation FERs are due August 30, 2021.

The ISD may use any or all of their specific Strong Beginnings transportation award from this pool and must distribute transportation funds as needed across all program providers. The ISD creates a process to gather pertinent information that will guide decision-making on prioritization of transportation funds. The ISD may distribute funds they receive either equally based on child FTE or equitably based on actual costs or other such factors to all programs providing transportation. The ISD must document the process used to distribute funds and share it with the school readiness advisory committee.

Transportation options approved by the Department of Licensing and Regulatory Affairs (LARA) Child Care Licensing Division may be supported with Strong Beginnings funds. This includes school buses and contracts with bussing companies. If a public transit system meets Licensing requirements, the cost for transportation may be contracted for and paid by the program directly to the transit system if the

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general public is not being transported with children in Strong Beginnings. Ridership and costs may be shared with other programs from the Strong Beginnings site, including GSRP. Laws regarding restraint systems for children under four years of age must be followed for all age appropriate students. All of these options necessitate a contract.

Strong Beginnings requires a separate transportation budget to document use of the transportation award accepted for the ISD and/or program providers. The administrative cap for ISDs also applies to accepted transportation funds.

Use of transportation funds should be monitored throughout the year. If actual expenses are less than planned, transportation funds can be moved between program providers as needed. Strong Beginnings funds may only be used for children enrolled in Strong Beginnings. These funds are not available for carryover.

Transportation Funding Considerations

CCRESA will reimburse a Strong Beginnings program for transportation costs related to parent- or guardian- accompanied transportation provided by transportation service companies, buses, or other public transportation services. To be eligible for reimbursement, a program must be a community-based provider and must submit to CCRESA all of the following:

- a) The names of families provided with transportation support along with a documented reason for the need for transportation support and the type of transportation provided.
- b) Financial documentation of actual transportation costs incurred by the program, including, but not limited to, receipts and mileage reports.
- c) Any other documentation or information determined necessary by CCRESA.

Required Documentation

For audit purposes, intermediate school districts (ISDs) are responsible for ensuring documentation submitted for reimbursement is sufficient. To ensure compliance with these requirements, CCRESA recommends review and signoff by and authorized ISD official. A documented need for the reason for the use of public transportation and financial documentation is required. Receipts must clearly disclose the public transportation provider, cost, date, time, and location (or MapQuest) of each round trip to/from the program.

Additional Considerations

To be considered for reimbursement, a parent or guardian must accompany the child; costs for other passengers accompanying the parent or guardian and child are not reimbursable. The mode of public transportation utilized must comply with applicable state laws.

All transportation services in Michigan (limos, taxis, Uber, Lyft, etc.) are required to complete a criminal background check and a driving history check on employed drivers annually. Uber and Lyft are required to provide insurance coverage at the corporate level, as well as coverage at the personal level (meaning Uber is insuring

the driver's car while the driver is conducting Uber business). Fingerprinting is not required.

These funds are not intended to pay for exceptional situations such as fuel for personal vehicles or episodic reimbursement for taxis, UBER, bus fees, gas cards, etc.

Use of Federal Food Programs for Strong Beginnings

According to the United States Department of Agriculture (USDA) Eligibility Manual for School Meals (October 2011), children enrolled in State-funded pre-kindergarten classes using identical or more stringent eligibility criteria than the federal Head Start Program are categorically eligible to receive free meals through the SNP, where applicable.

Strong Beginnings students are eligible to participate in the SNP and CACFP where applicable. Strong Beginnings students in Michigan are not, however, categorically eligible to receive free meals through these programs due to an income requirement less stringent than that of the federal Head Start Program. Rather, the provider implementing the Program, is required to retain the appropriate eligibility documentation (i.e., SNP-Free and Reduced Meal Family Application, CACFP-children deemed A, B, or C based on Household Income Eligibility Statements).

Regardless of which eligibility category children are in, there is no cost to families for snacks or meals. See guidance in this section for how the full cost of providing meals and snacks is shared between federal reimbursements and the Strong Beginnings budget.

Strong Beginnings funds may only be used to cover the costs of providing classroom meals and snacks that are over and above the reimbursement received from the National School Nutrition Programs (SNP) and/or the Child and Adult Care Food Program (CACFP) as applicable.

Exception:

All LEA Strong Beginnings program providers are required to take part in SNP for breakfast and lunch or CACFP for all meals/snacks. **Any LEA** that chooses to add or continue to use CACFP for snack **ONLY** may do so but is not required to do so if participation is cost prohibitive.

CBOs that are eligible and provide breakfast/lunch or breakfast/lunch/snack **MUST** participate in the applicable program. CBOs that are eligible, but provide snack **ONLY** may choose to use CACFP, but are not required to do so if participation is cost prohibitive.

Redetermination of the cost/benefit of participation in CACFP for **snack only** should be conducted any time a significant change to the program structure occurs (e.g. a substantial increase/decrease in enrollment, the addition of a Strong Beginnings classroom or before- and after-school-care program) that alters the number of eligible children served daily snack(s).

A CBO that is deemed not eligible to participate in CACFP will receive a letter from CACFP staff that the center may provide to the ISD documenting the lack of eligibility and the full cost of providing meals/snacks is then attributed to the Strong Beginnings budget. See also “Reimbursement to CBOs Not Eligible for CACFP” on the following page. Eligibility for CACFP participation should be re-determined any time a significant change to the program structure or enrollment occurs that alters the number of eligible children.

The reimbursement process between ISDs and program providers should not be prohibitive to the NSLP and CACFP federal programs that expect children to be provided healthy meal and snack options.

The *Strong Beginnings Monthly Food Service Invoice* templates found in the resources for this section outline the information required of program providers seeking reimbursement who are eligible for SNP/CACFP. Another template is available for those who cannot participate in either. Program providers are not required to use a template for reimbursement purposes; however, they will be required to provide all the information outlined on the template.

Calculating Meal/Snack Reimbursement

School Nutrition Program (SNP)

To receive reimbursement from Strong Beginnings funds, LEA program providers using SNP must provide the ISD with the School Food Authority (SFA) prices for breakfast and lunch as specified in the LEA's annual SNP contract. These prices consider actual food costs as well as the other costs involved in providing the meals. In K-12 the difference between the SFA price and the reimbursement is the cost of free, reduced, and paid meals normally paid by the children. In the case of Strong Beginnings, that cost is billed to the Strong Beginnings program instead of paid by the children. The program also bears the full cost of adult meals. Adult meal costs should not exceed the adult meal price established for the district by the LEA.

Invoices for meal reimbursement must indicate the total number of meals served during the period for each type of meal (breakfast, lunch) in each reimbursement category: free, reduced, paid. Totals for each category are then multiplied by the meal free, reduced, and paid amounts as charged directly to children in K-12. This amount will be billed to Strong Beginnings and all documentation kept for auditing.

The cost of snacks should be established annually with an ISD-program provider agreed upon amount as applicable for each program provider and should reflect the reasonable average cost of providing an appropriate nutritious snack that meets food program guidelines. Snack reimbursement for programs not using CACFP is based on the number of snacks provided in a month multiplied by this amount. Adult snacks are added to the cost of providing snack for children.

Occasionally, materials and other equipment not included in meal costs are required in the course of providing food service specific to Strong Beginnings, such as child-sized serving containers and utensils, storage containers or additional supplies to be

kept in the Strong Beginning classroom. In such cases, these costs may be itemized and billed to Strong Beginnings. Strong Beginnings owns all equipment purchased with Strong Beginnings funds. If meals/snacks must be delivered to Strong Beginnings, **and delivery constitutes a service over and above the ordinary service provided to K-12 programs factored into the SFA price for the district**, a delivery charge may also be itemized and charged beyond the meal cost itself. Most often, "delivery" refers to the need to transport meals/snacks to an off-site location or building that does not otherwise house K-12 classrooms also receiving meal/snack delivery. All Strong Beginnings expenses related to the provision of meals and snacks, for all program providers and the ISD, are to be classified under the function code 118.

Child and Adult Care Food Program (CACFP)

Strong Beginnings funds may only be used to cover the difference between the cost of providing classroom meals and snacks and the reimbursement from the CACFP. Regardless of which eligibility category children are in, there is no cost to families for snacks or meals. The full cost of providing snacks and meals is shared between federal reimbursements and the Strong Beginnings budget. Qualifying breakfasts, lunches and snacks served to Strong Beginnings children must be claimed for federal reimbursement. The cost of meals and snacks provided through CACFP should be established annually with an ISD-program provider agreed upon amount as applicable for each program provider and should reflect the reasonable average cost of providing an appropriate nutritious breakfast/lunch/snack that meets food program guidelines. Strong Beginning's portion can then be documented utilizing the *Strong Beginnings Monthly Food Service Invoice* templates found in the resources for this section (or a similar tool) showing the difference between the full cost of providing meals/snacks for a month and the amount of the CACFP reimbursement. Strong Beginnings may be charged for the difference remaining after CACFP reimbursement.

The cost of meals/snacks for the Strong Beginnings teaching team members, who are expected to join the children in family style meals, cannot be charged to the teaching team and are included in the Strong Beginnings portion of the costs for the provision of meals/snacks.

Occasionally, materials and other equipment not included in meal costs are required in the course of providing food service specific to Strong Beginnings, such as child-sized serving containers and utensils, storage containers or additional supplies to be kept in the Strong Beginnings classroom. In such cases, these costs may be itemized and billed to Strong Beginnings. Strong Beginnings owns all equipment purchased with Strong Beginnings funds. All Strong Beginnings expenses related to the provision of meals and snacks, for all program providers and the ISD, are to be classified under the function code 118.

Reimbursement to CBOs Not Eligible for CACFP

Private for-profit centers that receive compensation under Title XX of the Social Security Act may qualify to take part in CACFP. At least 25% of the enrolled children or 25% of the licensed capacity must be Title XX beneficiaries or eligible for free (Category A) or reduced-price meals (Category B).

To determine eligibility, call MDE CACFP at (517) 241-5353. A CBO that is deemed not eligible to participate will receive a letter from CACFP staff that the center may provide to the ISD documenting the lack of eligibility. The full cost of providing meals/snacks is then attributed to the Strong Beginnings budget. Programs that are ineligible must still have records to justify the charge for providing meals/snacks to children enrolled in Strong Beginnings.

Records to maintain for ISD Reimbursement include:

- Menus for foods served for all Strong Beginnings enrolled children;
- Meal attendance for all meals/snacks served to Strong Beginnings enrolled children;
- Center attendance for Strong Beginnings participants (may differ from meal attendance);
- Enrollment forms for Strong Beginnings children;
- Receipts for monthly food and non-food expenditures;
- Prorated portion of direct labor costs related to preparing and serving meals; and,
- Claim form (Template available in the resources for this section).

The ISD should specify in writing its process for program provider reimbursement. All Strong Beginnings expenses related to the provision of meals and snacks, for all program providers and the ISD, are to be classified under the function code 118.

Capital Outlay

Capital outlay refers to costs in excess of \$5,000 for equipment, building purchase or renovation project costs. An individual item or a project that totals over \$5,000 is capital outlay. A project such as the construction of a playground may have a number of individual pieces that cost less than \$5,000 each, but the total cost is over \$5,000 and is carried out as one project. It might include a climber that costs \$4,000 but also has an installation fee and needs groundcover and fencing. The total exceeds \$5,000, thus is considered capital outlay.

Prior to approval of the request by the ISD, the ECC/ECS must consider the individual circumstances of the program provider's program needs and decide as to whether the purchase is reasonable, necessary and recommended. The ISD must refuse a request that the ECC/ECS has not approved and does not meet these guidelines. When ISD review and approval is complete, the capital outlay request form must then be submitted to CCRESA Implementation Consultants for final approval. **If a portion of any capital outlay item is charged to Strong**

Beginnings, CCRESA approval is required before the cost is incurred. The *Capital Outlay Request* form can be found in the resources for this section.

Capital Outlay items/projects that exceed the CCRESA Competitive Bid Threshold must follow the ISD/program provider competitive bid policy in compliance with CCRESA requirements (see the *Competitive Bid Threshold Memo* in the resources for this section). An LEA or PSA is not required to obtain competitive bids for items purchased through the bulk purchasing program operated by the State of Michigan Department of Management and Budget. Other cooperatives to which a program provider may belong or participate in for discounted supplies/equipment may not be utilized in place of the competitive bid requirements.

Budget Amendments

Budget amendments are required when the total change to a budget category is expected to exceed 10%. The ECC is required to contact the assigned CCRESA Implementation Consultant prior to amending the budget to determine that the proposed amendment is necessary and approvable. The ISD provides the policies and procedures to program providers for amending local budgets.

Payments to Classroom and Family Partnership Process Subcontractors

Strong Beginnings program funding that comes to the ISDs may be forwarded to the program providers in one of two ways. All funding may be sent to the program providers on a reimbursement basis or up to 50% of the funding may be sent to the program providers in four equal monthly payments beginning in November, 2020 for Cohort 1. During the last four months of the fiscal year payments to program providers must be made on a reimbursement basis. As there is no carryover of Strong Beginnings funds permitted, this will insure that program providers do not receive more funds than they actually use. The ISD must follow their agreed upon contracts with their program providers which detail the flow of funding that is fair and equitable across program providers. The program provider contracts and documentation of these payments are to be kept for CCRESA review.

Final Expenditure Reports (FER)

At the end of the fiscal year, ISDs must provide details of actual expenditures in the FERs. Separate FERs are required for classroom start-up funds, program funds (including classroom and Family Partnership Process expenses) and transportation funds. All Strong Beginnings funds the ISD expects to receive, up to their full allocation for start-up, program and transportation, must be accounted for in the FERs. No Strong Beginnings funds can be carried over. Unused classroom start-up funds will be recaptured.

The ISD reports in detail and their program provider data is entered as total amounts using the 400 function codes. The ISD is required to receive and keep FERs from each program provider that details the expenditures. These program level FERs will be submitted to CCRESA. It is required that the ISD monitor

expenditures for both the ISD and each of their subcontractors. The documentation for expenditures should be detailed enough to allow the ISD and CCRESA staff to determine that all expenditures were necessary, reasonable, and allowable. It must also be clear that the administrative cap for the ISD has not been exceeded.

Carryover

No Strong Beginnings funds are eligible for carryover.