

Head Start Non-Federal Share Match Activity Answers

Distribute copies of the “*Non-Federal Share Match Activity*” handout. Working in teams, ask participants to review one of the following scenarios at their table. After they have come to their determination, ask teams to share their scenarios and the answers with the larger audience.

1. A local church provides classroom space for the Head Start program at no cost to the program. The space includes three classrooms of 1,200 square feet each and half of the 600 square feet of common space. An independent appraisal certified by the grantee establishes the fair market rental rate for the space at \$16.00 per square foot per year. The grantee operates year round.

Question: Can the grantee claim Non-Federal share of \$62,400 for the donated space ($1,200 \times 3 + 300 = 3,900 \times \16.00)?

Answer: YES . . . This claim meets costs principles and was established by an independent appraisal

- 1) *What if the value of the space had been established by a local realtor and is contained in an opinion letter?* No. The space must be formally appraised.
 - 2) *What if the space was being donated by the grantee’s parent organization, a CAP agency?* No. The grantee can only charge depreciation or use allowance.
 - 3) *What if the building was owned by the grantee?* Same as above.
 - 4) *What if the building was owned by the grantee, but half of the purchase price was from Head Start one-time facilities funds?* The grantee can only charge half of depreciation or use allowance.
 - 5) *What if the space at issue was in a family child care home?* No. This could be construed as not providing consistent treatment, and conceivably be a related party.
 - 6) *Meeting room space.* Yes, it can be valued based on comparable costs for community rooms (not hotel conference rooms).
2. A wealthy patron in the community donates \$25,000 to the local community action agency operating the Head Start program. The donation is specifically restricted to Head Start use by the donor, and the agency places the fund in an account separate from its other funds labeled “For Head Start Use Only.”

Question: At the end of its budget period, can the grantee claim \$25,000 in donated match toward its nonfederal share costs?

Answer: NO . . . cash is countable only when expended.

3. A local sign company has donated billboard space to the Head Start program in areas of the city where high concentrations of Head Start-eligible children and families live. The program uses five billboards for the entire program year (10 months) to advertise the availability of Head Start services and provide enrollment information. The billboards usually rent for \$30.00 per month.

Question: Can the grantee claim \$1,500 (10 x 5 x \$30) as a non-federal share cost for the donated billboard space?

Answer: YES . . . assuming its plan for outreach and engagement is consistent with the expenditures.

- 1) *What if enrollment had consistently declined over the course of the program year? Yes, it still would be reasonable.*
 - 2) *What if the billboards advertised both Head Start and Early Head Start services? The non-federal share would need to be allocated between the benefit for each funding source. (What bases might you use to allocate between EHS and HS?)*
 - 3) *What if the billboards said CAP [City of Training], voted best CAP Agency in [State of Training] six years running and featured a picture of the executive director receiving a trophy? No, general advertising is not allowable.*
4. The home-based Early Head Start program conducts 52 “90-minute home visits” per year as part of its curriculum for infants and toddlers. Sally’s family pays rent of \$1,000 per month and has utilities costs of \$200 per month. Sally’s family participates in all 52 scheduled home visits.

Question: Can the grantee claim a nonfederal share cost of \$2.47 per visit, \$128.44 for the year ($\$1,200 \times 12 \div 365 \div 24 \times 1.5 \times 52$) for the in-home use of parent space?

Answer: YES . . . This is a reasonable reflection of actual costs IF the visit includes the whole house.

1) *What if Sally was a twin and both children were in the program? Could the amount be doubled?*

Answer: No, the donation is for one space, not two children.

5. Dad and his son Frank (a Head Start center-based child) spent a pleasant afternoon making masks from paper plates. Frank and Dad talked about shapes and colors as they cut and pasted circles, triangles, and squares on the masks. Teacher assistants in the program are paid \$8.72 per hour.

Question: Can the grantee claim \$17.44 (2hrs x \$8.72/hr) as a nonfederal share cost for these activities?

Answer: NO. The activity is not related to the curriculum, not reasonable in time and primarily benefits the child.

- 1) *What if the Head Start teacher had sent home a note asking parents to focus on shapes and colors with their child this week?* No. Still not reasonable.
- 2) *What if a goal of Julie's Early Head Start home-based curriculum was to find ways to allow Dad to spend individual time with Julie to enhance his parenting confidence?* No. Still a primary benefit to the child, not the curriculum.
- 3) *Would the value of the services change if Dad was temporarily unemployed but held a bachelor's degree in early childhood education?* No.
- 4) *If allowable, could we add employee fringe benefits to the hourly rate?* Yes.
- 5) *If allowable, could we charge the parent's time as a teacher?* No, we would not pay that person a teacher rate.
- 6) *If allowable, could we charge the time to both Head Start and Early Head Start?* No. It would have to be allocated.