FY 2021 Focus Area Two Monitoring Protocol

Purpose

The Focus Area Two (FA2) review is an opportunity for grantees to demonstrate their effectiveness in implementing a high-quality program to promote positive outcomes and school readiness for children and their families. This focus area is designed to broaden the Office of Head Start's (OHS) understanding of each grantee's performance and to determine if programs are meeting the requirements of the Head Start Program Performance Standards (HSPPS), Uniform Guidance, and the Head Start Act.

Road Map to the Focus Area Two Protocol

This protocol will guide the discussions between the grantee and reviewers during the FA2 review. It includes areas of discussion, specific performance measures, and the associated Federal regulations. The protocol is divided into the following six sections:

- Program Design, Management, and Quality Improvement
- Education and Child Development Services
- Health Program Services
- Family and Community Engagement Services
- Fiscal Infrastructure
- Eligibility, Recruitment, Selection, Enrollment, and Attendance (ERSEA)

Federal Regulations

Each section of the protocol includes a list of Federal regulations grounding the discussions. This list ensures transparency regarding the regulations used to assess grantee performance. Grantees should note that they remain accountable for all of the HSPPS as well as other Federal, State, and local regulations guiding program operations, management, and oversight.

What We Want to Learn

This section of the protocol outlines the topic areas the reviewers will explore and the methodologies reviewers will use to learn about grantee performance (e.g., data tours, explorations of classrooms, discussions with managers, teachers, parents, and the governing body). The statements and questions listed in this section are designed to stimulate a meaningful discussion that provides grantees with an opportunity to describe the intentionality behind their program design, decisions, and operations. They also allow grantees to describe the challenges they have experienced, the strengths they have developed, and their strategies for continuous program improvement.

The questions and statements in the *What We Want to Learn* section are not intended to be exhaustive or to limit discussion. Using the *What We Want to Learn* section as a guide, the reviewers and the grantee may engage in discussions beyond the questions included in the protocol.

NEW in FY2021-Outcomes

The FA2 review event will provide grantees with the opportunity to share the types of data collected to measure outcomes for each program area. In addition, the grantee will share the outcomes the program has achieved thus far in each service area, strategic refinements the program is making to ensure continuous improvement and progress toward achieving outcomes.

Performance Measures in the Monitoring Protocol

The performance measures identify the areas of performance that are the focus of the monitoring protocol. Each performance measure indicates the Federal regulations associated with that measure.

Focus Area Two Review Information

Grantees participating in the FA2 review will receive notification *(45-day letter)* of the upcoming review. The assigned Review Lead will contact the grantee following the notification and will partner with the grantee to prepare for the review *(planning call)*.

The Review Team responsible for conducting the FA2 review consists of a Review Lead, a fiscal reviewer, and two FA2 reviewers. The FA2 review includes, but is not limited to, the sample ERSEA File Review (includes children and pregnant women), Data Tours, Management Team Discussions, Governing Body and Policy Council Discussions, and Fiscal Exploration. The Review Team will meet the grantee's Management Team the morning of the first day of the review. This *Management Team meeting* allows the Review Team to build on knowledge learned from the pre-site document review (grant application, Program Information Report data, etc.) and conversations with the Regional Office.

Data tours start on the first day and allow the Review Team to understand the types of data the grantee collects to inform ongoing continuous improvement. Program leadership and the program managers overseeing health, fiscal, education, and family services will demonstrate how data are used and how each service area collaborates to ensure the provision of quality services. They also will share data that show progress toward achieving results and outcomes in each service area.

Service area explorations continue through the week. Discussions will occur with families, direct service staff, the director, managers, the governing body, and the policy council to gain further insight about how children and their families are supported.

Program Management and Quality Improvement

Overview

Purpose

The Program Management and Quality Improvement section of the protocol includes three areas: program management, ongoing oversight and continuous improvement, and program governance. The Review Team will listen to discussion and review data to understand the ability of the Director and the Management Team to deliver high-quality services, continuously monitor program services, make improvements as needed, and achieve program goals and desired outcomes. The Review Team will also monitor the engagement of the governing body and the policy council.

Approach

The Program Management and Quality Improvement discussion with the Management Team begins on the first day of the FA2 review event. The grantee will describe and demonstrate how they implement their program management system to promote quality improvement. During the data tours, the Review Team will review data and have discussions with program management staff about the program's progress, implementation, success, and risks.

Program Outcomes

The grantee will share how the program collects data to monitor its own progress in achieving outcomes, as well as the program's reported achievements to date in each content area. The discussion includes a focus on where the program is making progress, where the program is experiencing challenges, and how the program uses its data to inform continuous improvement across the program. In addition, the governing body will demonstrate how they use data (both program data and external information) to oversee the provision of quality services for children and families and to ensure progress toward school readiness

Federal Regulations

1301.2 Governing body use of information and data

1302.91(a) Staff qualifications and competencies

1302.92(b) Staff training and professional development

1302.101(a)-(b) Management system implementation and coordinated approaches

1302.102(b) Monitoring program performance

1302.102(c) Using data for ongoing improvement

1302.102(d) Reporting

642(c)(1)(E)(ii) Governing body responsibilities

642(c)(1)(E)(iv)(V)(bb) Governing body responsibilities

642(c)(2)(D)(i) Policy council responsibilities

What We Want to Learn

Program Management

PM 1: The grantee establishes a management structure that consists of staff, consultants, or contractors who ensure high-quality service delivery; have sufficient knowledge, training, experience, and competencies to fulfill the roles and responsibilities of their positions; and provide regular supervision and support to staff.

1. The grantee will demonstrate how the Management Team members use their knowledge, training, experience, and competencies to ensure high-quality service delivery. 1302.91(a)
2. The grantee will demonstrate how the management/organizational structure provides effective management and oversight of all program areas. 1302.101(a)(1)
3. The grantee will demonstrate how managers provide ongoing supervision and professional development to support individual staff. 1302.101(a)(2); 1302.92(b)

Ongoing Monitoring and Continuous Improvement

PM 2: The grantee uses data to identify program strengths, needs, and areas needing improvement; to evaluate progress toward achieving program goals and compliance with program performance standards; and to assess the effectiveness of professional development.

1. The grantee will demonstrate how data is aggregated, analyzed, and compared to inform strategies for continuous improvement in all service areas and to identify risk. 1302.102(c)(2)(i)
2. The grantee will demonstrate how information is used for ongoing monitoring and improvement of teaching practices, child-level assessments, family outcomes, health and safety practices, and other comprehensive services. 1302.102(c)(2)(iv)
3. The grantee will demonstrate how information is provided to the Director and across the Management Team to support coordination between services.
4. The grantee will demonstrate how the program evaluates progress toward meeting program goals. 1302.102(b)(1)(i)
5. The grantee will demonstrate how the program maintains full and effective participation of children who are dual language learners and their families. 1302.101(b)(2)

Program Governance

PM 3: The grantee maintains a formal structure of program governance to oversee the quality of services for children and families, and to make decisions related to program design and implementation.

1. The governing body members will demonstrate how they have adopted practices that ensure active, independent, and informed governance of the Head Start agency. 642(c)(1)(E)(ii)
2. The governing body members will demonstrate how they use data (both program data and external information) to oversee the provision of quality services for children and families and to ensure progress toward school readiness. 1301.2(b)(2)
3. The governing body members will discuss how they oversee the agency's progress in carrying out programmatic provisions of the agency's grant application. 642(c)(1)(E)(iv)(V)(bb)

12/3/2020

PM 4: The grantee's policy council is engaged in the direction of the program, including program design and planning of goals and objectives.

1. The policy council members will demonstrate how they support active involvement of parents in program operations and how they ensure the agency is responsive to community and parent needs. 642(c)(2)(D)(i)
2. The policy council members will describe the type of information they use to ensure the program is delivering quality services and to actively participate in the direction of the program. 1302.102(d)

Note: The fiscal responsibilities of the governing body and policy council are addressed under the fiscal section of the protocol.

Focus
Area
Two

Understanding Performance for
Continuous Program Improvement

HEAD START

Monitoring and Implementing
Quality Education and Child Development Services

Overview

Purpose
The Quality Education and Child Development Services section explores four areas: *school readiness efforts; teaching practices that promote progress toward the next learning environment; the support for teachers in school readiness efforts; and the quality of home-based services*. These sections are interrelated and collectively provide information about the program's ability to prepare children for their next learning environment.

Approach
The grantee will describe how the program's school readiness efforts align with the expectations of the children's receiving schools and if they have information from the kindergarten readiness assessment of the receiving schools. The OHS wants to capture rich data around this topic area. The openness of the questions gives grantees the opportunity to describe how their school readiness and transition efforts are based on the needs of the children enrolled in their program.

Program Outcomes
The grantee will share the data used to assess progress toward meeting the program's school readiness goals, and the data used to understand, track, and address children's individual needs. The grantee will also demonstrate how the data are used to inform continuous improvement related to curriculum selection, instruction, and professional development.

Note: Receiving schools refers to schools and programs where enrolled children will attend upon completing the Early Head Start or Head Start program.

Federal Regulations

1302.31(b)(1) Effective teaching practices

1302.31(e) Promoting learning through approaches to rest, meals, routines, and physical activity

1302.32(a)(2) Curricula

1302.33(b)(1)-(2) Assessment for individualization

1302.35(a), (c), (e) Education in home-based programs

1302.45(a)(1) Support with managing challenging behaviors and other social, emotional, and mental health concerns

1302.45(b)(2) Mental health consultants

1302.61(a) Additional services for children with disabilities

1302.70(a) Transitions from Early Head Start

1302.71(a) Transitions from Head Start to kindergarten

1302.71(d) Learning environment activities

1302.91(e) Staff qualifications

1302.92(b)(5) Training and professional development

1302.92(c)(1) Coaching

1302.102(a)(3) School readiness goals

1302.102(c)(2)(ii)-(iii) Using data for continuous improvement

What We Want to Learn

Alignment with School Readiness

PM 1: School readiness efforts align with the expectations of receiving schools, the Head Start Early Learning Outcomes Framework (HSELOF), and state early learning standards.

1. The grantee will describe how the program's school readiness efforts align with the expectations of receiving schools, the HSELOF, and the state early learning standards. 1302.102(a)(3).
2. The grantee will explain the expectations of the receiving schools and collaborations to promote successful transitions to kindergarten. 1302.71(a).
3. The grantee will demonstrate how the program implements strategies and practices to support successful transitions for children and families out of Early Head Start. 1302.70(a)
4. The grantee will describe the data used to show that children are ready to meet the expectations of receiving schools. 1302.102(c)(2)(ii)-(iii); 1302.33(b)(1)
5. The grantee will explain the expectations of the kindergarten readiness assessment of the receiving schools.
6. The grantee will discuss if the program obtains kindergarten entry assessment data on Head Start children entering the receiving schools.

Note: *The information on kindergarten readiness assessment (questions #5 and #6) is used for OHS data collection purposes only to inform policy and training and technical assistance directions.*

Effective and Intentional Teaching Practices

PM 2: Teaching practices intentionally promote progress toward school readiness and provide high-quality learning experiences for children.

1. The grantee will demonstrate how organized activities, schedules, lesson plans, and learning experiences are responsive to the children's individual developmental patterns and progressions as described in the HSELOF. 1302.31(b)(1)(ii)
2. The grantee will demonstrate how teachers individualize for children, including those who are not making progress toward school readiness. 1302.33(b)(2)
3. The grantee will demonstrate how teachers create nurturing and responsive learning environments for children, including ensuring environments promote critical thinking and problem solving, encourage children's engagement, and are communication and language rich. 1302.31(b)(1)(i)
4. The grantee will share and demonstrate how teachers support child-teacher interactions, socialization, development, and learning at all times, including daily routines and mealtimes. 1302.31(e)
5. The grantee will demonstrate how teachers ensure the full inclusion of children with disabilities. 1302.61(a)
6. The grantee will demonstrate the strategies that teachers use to promote successful transitions for children to kindergarten. 1302.71(d)
7. The grantee will demonstrate how teachers are supported in providing effective classroom management and positive learning environments. 1302.45(a)(1)

Supporting Teachers in Promoting School Readiness

PM3: The grantee ensures teachers are prepared to implement the curriculum and support children's progress toward school readiness.

1. The grantee will demonstrate how the program assists education staff in using data to individualize learning experiences to improve outcomes for all children. 1302.92(b)(5).
2. The grantee will demonstrate how the program supports staff in effectively implementing curricula, monitoring curriculum implementation, and ensuring fidelity. 1302.32(a)(2).
3. The grantee will demonstrate how the program identifies strengths, areas of needed support, and which staff would benefit from intensive coaching for all education staff. 1302.92(c)(1).
4. The grantee will demonstrate how the mental health consultant supports teaching practices through strategies to address teacher and individual child needs. 1302.45(b)(2).
5. The grantee will demonstrate that teachers have the appropriate qualifications. 1302.91(e)(1-2).

Home-Based Program Services

PM4: The grantee ensures home-based program services provide home visits and group socialization activities that provide high-quality learning experiences.

1. The grantee will demonstrate how the home-based program services:
   a. Promote secure parent-child relationships and help parents provide high-quality early learning experiences. 1302.35(a)
   b. Provide developmentally appropriate, child-focused learning experiences that promote parents' abilities to support their children's development and align intentionally to school readiness goals and the HSELOF (home visits and socializations). 1302.35(c); 1302.35(e)(2)

Monitoring and Implementing Quality Health Services

Overview

Purpose

This section focuses on how the grantee provides high-quality health, oral health, mental health, and nutrition services that are supportive of each child's growth and school readiness. This section also focuses on the grantee's approach for maintaining a system of health and safety practices and how the grantee provides quality services for pregnant women.

Approach

Grantees will share how the program supports, implements, and monitors high-quality health program services. Management staff will share the data they use to monitor the quality of health services and to ensure health, mental health, and dental needs are met in a timely manner. Reviewers will ask the grantee to demonstrate how the program ensures environments for children and families are well maintained and support the desired outcomes for children. *During the health data tour, the grantee will describe and demonstrate how the program monitors and maintains child health-related information and supports parents in understanding information about their children's health and well-being.*

Additionally, staff will demonstrate the effectiveness of health and safety practices and discuss how these practices ultimately keep children and families healthy and safe. Five areas are measured in this section: *timely health care and follow-up; mental health consultation; oral health and nutrition; safety; and services to pregnant women*.

Program Outcomes

The grantee will share the data used to understand child health outcomes and to ensure the successful implementation of safety practices.

Federal Regulations

1302.41(a) Collaboration and communication with parents

1302.42(a)-(d) Child health status and care 1302.43 Oral health practices

1302.44(a) Child nutrition

1302.45(a) Wellness promotion

1302.45(b) Mental health consultants

1302.47(b) Safety practices

1302.80 Enrolled pregnant women

1302.81 Prenatal and postpartum information, education, and services

1302.90(c) Standards of conduct

Sec. 648A(g)(3) Staff recruitment and selection procedures: criminal record checks

What We Want to Learn

Child Health Status and Care

PM1: The grantee effectively monitors and maintains timely information on children's health status and care, including ongoing sources of health care, preventive care, and follow-up.

1. Does the grantee ensure children are up to date on a schedule of age-appropriate medical and oral health care (EPSDT)? 1302.42(b)(1)(i)
2. Does the grantee ensure ongoing care and extended follow-up care? 1302.42(c)-(d)
3. Does the grantee ensure that each child has an ongoing source of continuous health care? 1302.42(a)(1)
4. Does the grantee educate, support, and collaborate with parents to share information about a child's health and well-being? 1302.41(a)

During the health data tour, the grantee will describe and demonstrate how the program:
- *Monitors and maintains child health-related information.*
- *Supports parents in understanding information about their children's health and well-being.*

Mental Health

PM2: The grantee supports a program-wide culture that promotes mental health and social and emotional well-being, and uses mental health consultation to support staff.

1. Does the grantee ensure mental health consultation is available to partner with staff and families in a timely and effective manner? 1302.45(a)(2)
2. Does the grantee use mental health consultant(s) to support children, staff, and families in meeting mental health and social and emotional needs? 1302.45(b)(3)

Oral Health and Nutrition

PM3: The grantee maintains and monitors for effective oral health practices and nutrition services that meet the nutritional needs and accommodate feeding requirements and allergies.

1. Does the grantee promote effective oral health hygiene by ensuring children with teeth are assisted in brushing their teeth once a day? 1302.43
2. Does the grantee implement nutrition services that are culturally and developmentally appropriate, including meeting the nutritional and feeding needs of babies and young children? 1302.44(a)(1)
3. Does the grantee post individual child food allergies prominently where staff can view wherever food is served? 1302.47(b)(7)(vi)

Safety Practices

PM4: The grantee has implemented a process for monitoring and maintaining healthy and safe environments. This includes ensuring all staff have complete background checks.

1. The grantee will demonstrate how the program keeps all facilities safe through an ongoing system of preventive maintenance. 1302.47(b)(1)(ix)

2. The grantee will demonstrate how the program keeps all equipment and materials safe through an ongoing system of preventive maintenance. 1302.47(b)(2)(v)
3. Does the grantee report suspected or known child abuse and neglect? 1302.47(b)(5)(i)
4. Does the grantee ensure safe sleep practices? 1302.47(b)(5)(ii)
5. Does the grantee ensure appropriate indoor and outdoor supervision? 1302.47(b)(5)(iii)
6. Does the grantee only release children to an authorized adult? 1302.47(b)(5)(iv)
7. Does the grantee prevent maltreatment or endangerment of children? 1302.90(c)
8. The grantee will describe its method for ensuring all staff have completed the background checks prior to hire (If staff are not ensuring staff receive background checks prior to hire, please note the reasons why, how many staff did not get the CRC before hire, and review the written documentation they have to validate all staff have the required checks). List all staff that did not have a background check. Sec. 648A(g)(3)

Services to Pregnant Women

PM5: For programs serving pregnant women, the grantee provides and monitors for quality services that facilitate enrolled pregnant women's access to health care and provide information to support prenatal, postpartum, maternal, and infant health and emotional well-being.

1. The grantee will describe how the program connects women to comprehensive services and conducting newborn visits. 1302.80
2. The grantee will describe how the program provides prenatal and postnatal education, supports parents during pregnancy, and works to reduce stress and maternal depression. 1302.81

Monitoring and Implementing
Quality Family and Community Engagement Services

Overview

Purpose

The grantee must integrate parent and family engagement strategies into all systems and program services to support family well-being and promote children's learning and development. Programs are encouraged to develop innovative two-generation approaches that address prevalent needs of families across their program and leverage community partnerships or other funding sources.

Approach

The grantee will demonstrate how the program provides quality family and community engagement services. The Review Team will learn how the program provides services to support family well-being and promote school readiness. Management and family services staff will describe how they support families in making progress toward their life goals. Parents will discuss their experience with the program's family engagement and support services. Reviewers will use information learned from each program area to understand how the grantee integrates family engagement into all areas of programming. Three areas are measured in this section: family well-being; strengthening parents; and parent engagement in education.

Program Outcomes

The grantee will demonstrate how the program determines the resources needed to support family well-being, either within the program or through community partnerships. This includes sharing how the program measures the impact of family support services.

Federal Regulations

1302.34(b) Engaging parents and family members

1302.45(b) Mental health consultants

1302.46(b) Family support services for health, nutrition, and mental health

1302.50 Family engagement approach

1302.51 Parent activities to promote child learning and development

1302.52 Family partnership services

1302.53 Community partnerships

1302.62(b) Parents of children eligible for services under the Individuals with Disabilities Education Act (IDEA)

1302.71(b) Family collaborations for transitions

What We Want to Learn

Family Well-Being

PM1: The grantee collaborates with families to support family well-being, parents' aspirations, and parents' life goals.

1. The grantee will demonstrate how the program supports family goal setting and tracks family strengths, needs, and progress toward goals. 1302.52(c)(3)

Focus
Area
Two

Understanding Performance for
Continuous Program Improvement

HEAD START

2. The grantee will demonstrate how the program provides resources that support family well-being, either within the program or through community partnerships.
   a. Does the grantee provide economic mobility resources to help families with pathways out of poverty (including educational, vocational, and employment opportunities; budgeting; debt counseling; tax credits; savings accounts; etc.)? 1302.50(b)(3)
   b. Does the grantee provide health and mental health resources (including health insurance or referrals for parental depression, domestic violence, substance misuse, etc.)? 1302.45(b)(5)
   c. Does the grantee provide resources and support for families experiencing homelessness? 1302.53(a)(2)(vi)

Strengthening Parenting and Parent-Child Supports
PM2: The grantee provides services that strengthen parent-child relationships and support parents in strengthening parenting skills.

1. The grantee will describe its family engagement strategies and how they are designed to foster parental confidence, including opportunities to connect with other parents. 1302.51(a)
2. The grantee will describe how the program offers parents the opportunity to practice parenting skills, build on their knowledge, and participate in a parenting curriculum. 1302.51(b)

Family Engagement in Education and Child Development Services
PM3: The grantee's education and child development services recognize parents' roles as children's lifelong educators and encourage parents to engage in their child's education.

1. The grantee will describe how the program helps parents support the learning and development of their children. 1302.50(b)(1)
2. The grantee will describe how the program shares information with parents about their child's development and the types of information the grantee gathers from parents about their child's development. 1302.34(b)(2)
3. The grantee will describe how the program supports families in their transition into and out of Head Start. 1302.71(b)(2)
4. The grantee will describe how the program prepares parents to advocate for their child. 1302.71(b)(1)
5. The grantee will describe how the program supports parents of children with disabilities. 1302.62(b)
6. The grantee will describe how the program supports parents in promoting the social and emotional development of their child. 1302.46(b)(1)

Monitoring and Implementing Fiscal Infrastructure

Overview

Purpose
This section highlights the program's intentionality in its fiscal capacity and management; how the program shares information with the Director, managers, the governing body, and the policy council; and how the program uses data to make sound fiscal decisions and ensure fiscal and legal accountability.

Approach
The grantee will demonstrate the program's development of its annual operating budget and strategies for the budget's implementation, adjustments, and accountability.

Outcomes
The grantee will describe what data are used and how to inform the development and refinement of the program's budget. The grantee will also share how the program uses data to determine the effectiveness of the program's fiscal infrastructure.

Federal Regulations

Budget Planning and Development	Ongoing Fiscal Capacity	Budget Execution	Budget Execution cont'd	Facilities
1302.101(a)(3)	1302.91(c)	653(a)	75.303(c)	75.308(c)(1)(xi)
642(c)(1)(E)(iv)(VII)(aa)	1303.12	75.414	75.303(d)	1303.46(b)(1)-(4)
642(c)(1)(E)(iv)(VII)(bb)	75.303(a), (b), (e)	75.430(i)	75.302(b)(7)	75.320(d)(2)
642(d)(2)(A)-(I)		75.405(a)	75.403(a)-(g)	75.343
642(d)(3)		75.302(b)(4)	75.329(a)-(b)	
642(c)(2)(D)(iv)		75.302(b)(3)	75.332	
1302.102(b)(1)(iii)		75.305(b)(1)	75.327(h)	
1302.102(d)(1)(i)		75.441	75.328(a)(4)(5)(7)	
			75.328(c)-(d)	

What We Want to Learn

Budget Planning and Development
PM1: The grantee develops and implements its budget to sustain management, staffing structures, and the delivery of services that support the needs of enrolled children and families. This entails relating financial data to accomplishments of the grant award and an awareness of program progress, lessons learned, and needed improvements.

1. The grantee will describe how it takes into account the program's goals and objectives when developing the budget to ensure the provision of comprehensive services and the continuity of care. 1302.101(a)(3)
2. The grantee will explain how the budget development and approval process demonstrates that program goals and objectives are taken into account to set priorities and make trade-offs showing the program intentionally allocated resources to its highest priority goals and objectives. 1302.102(b)(1)(iii)

3. The grantee will describe how the governing body uses the fiscal information they receive to inform budget decisions. This includes:
   a. How the governing body approves financial management, accounting, and reporting policies, and how the governing body ensures compliance with laws and regulations related to financial statements, including what the agency identified as major financial expenditures. 642(c)(1)(E)(iv)(VII)(aa)
   b. The governing body's role in approval of the annual operating budget. 642(c)(1)(E)(iv)(VII)(bb)
4. The grantee will describe the policy council's engagement in the budget process, including:
   a. The policy council's role in the budget process. 642(c)(2)(D)(iv)
5. The grantee will describe:
   a. How the budget development process of the governing body and the policy council is supported by accurate and regular information, including information regarding program goals and objectives. 1302.102(d)(1)(i)
   b. How the budget development process of the governing body and the policy council is supported by accurate and regular information, including financial statements and reports. 642(d)(2)(A)-(I)
   c. How the governing body is trained to ensure members understand the information received and can effectively oversee budget decisions. 642(d)(3)

To address this performance measure, the grantee will demonstrate how its budget development and approval process reflects the awareness of fiscal staff, the governing body, and the policy council of the goals and objectives of the program. The grantee will also demonstrate that program objectives, progress, and experiences are taken into account in making budget decisions. Ultimately, the grantee's budget must support the program in delivering comprehensive, quality services to enrolled children and families.

Ongoing Fiscal Capacity
PM2: The grantee plans and implements a fiscal management system that supports the organization's ongoing capacity to execute its budget over time and meet the needs of its organization.

1. The grantee will describe the fiscal complexity of the program (i.e., multiple funding sources, numerous and widespread locations, number of Head Start/Early Head Start grants, delegates, facilities) and applicable financial management requirements, then show the training, experience, and qualifications of the fiscal officer and fiscal staff are appropriate for the complexity of the program. 1302.91(c)
2. The grantee will describe the staffing and internal controls that support the program's financial management system. 75.303(a), (b), (e)
   a. Does the grantee establish and maintain effective internal control over the Federal award? 75.303(a)
   b. Does the grantee have processes in place to ensure compliance with requirements, including Federal statutes, regulations, and terms and conditions of the Federal award? 75.303(b)
   c. Does the grantee take reasonable measures to safeguard protected personally identifiable information and other information the Health and Human Services awarding agency designates as sensitive? 75.303(e)

The grantee's fiscal capacity includes having fiscal staff with the education, experience, and capacity to support the program, given the level of fiscal complexity of its grant(s) and applicable financial management requirements. Fiscal capacity also includes ongoing assessment of the program's funds and property, as well as identification, assessment, and response to identified risk assessment.

3. The grantee will describe the program's ongoing process to identify, assess, and address risks, including how the agency responds to identified risks through systemic improvements; cost-effective insurance, such as natural disaster, child injury, and electronic theft; bonds; and other risk reduction measures. 1303.12

Budget Execution

PM3: The grantee's financial management system provides for effective control over and accountability for all funds, property, and other assets.

1. **Personnel Compensation and Fringe Benefits.** The grantee will demonstrate its ability to manage personnel compensation and fringe benefits.

   The grantee will demonstrate its ability to manage major expenditures and accurately reconcile major accounts. The most significant expenses for Head Start grantees are personnel and associated mandatory and employer-sponsored benefits. The fiscal reviewer will use the grantee's personnel expenditures as the basis for exploring how the grantee manages fiscal operations.

   a. Are wages comparable and do they meet the program's needs for recruitment and retention of qualified staff? 653(a)
   b. Does the grantee identify and account for indirect costs? 75.414
   c. Does the grantee accurately track the time of non-exempt employees? 75.430(i)
   d. Does the grantee ensure allocable personnel costs are shared across programs relative to the benefit received by each program? 75.405(a)
   e. Does the grantee effectively manage its Head Start funds to ensure funds are used only for authorized purposes? 75.302(b)(4)
   f. Are Head Start funds used only for expenses associated with authorized Head Start activities? 75.302(b)(3)
   g. Are funds drawn down in relation to immediate cash needs and is the time between when funds are drawn down and payments are made minimized to ensure timely payment to vendors and contractors? 75.305(b)(1)
   h. Is the grantee liable for any fines, late fees, or penalties related to its function as an employer (e.g., IRS, Department of Labor, workers compensation, unemployment insurance)? 75.441
   i. Does the grantee evaluate and monitor personnel and other fiscal operations to ensure compliance with laws, rules, regulations, and terms of the award? 75.303(c)
   j. Does the grantee have a process for taking prompt action to address any identified areas of noncompliance? 75.303(d)

2. **Procurement.** The grantee will describe the program's system for determining whether individual expenses are necessary, reasonable, allocable, and adequately documented.

   a. Does the grantee have a process for the purchasing and contracting of goods and services? 75.302(b)(7)
   b. Does the grantee ensure all purchases and contracts meet the criteria affecting allowability? 75.403(a)-(g)
   c. Does the grantee ensure there are an adequate number of qualified vendors to demonstrate required competition for micro-purchases (currently below $10,000), small purchases ($10,000 to $249,999) 75.329(a)-(b), and purchases over the simplified acquisition threshold (currently $250,000)? 75.332
   d. Does the grantee ensure it only makes purchases from, and contracts with, qualified vendors? 75.327(h)
   e. Does the grantee exclude related parties such as members of the governing body, staff, or family members as vendors, contractors, lessors, or lenders? 75.328(a)(4)(5)(7)

f. When the grantee approves purchases and contracted services, does it ensure free and open competition? 75.328(c)-(d)

Facilities and Equipment

PM4: The grantee complies with application, prior approval, and reporting requirements for facilities purchased, constructed, or renovated with Head Start funds.

1. If Head Start funds have been used to make mortgage payments, fund renovations in excess of $250,000 for a single facility, purchase a facility outright (land, building, modular unit), make a down payment, or construct a new facility, the grantee will describe:
    a. How the grantee ensured it received prior Administration for Children and Families approval for use of funds. 75.308(c)(1)(xi)
    b. How the grantee filed or posted a notice of Federal interest that reflects the use of funds. 1303.46(b)(1)-(4)
2. The grantee will demonstrate how the program maintains a complete inventory of all equipment purchased, in whole or in part, with Head Start funds. 75.320(d)(2)
3. The grantee will demonstrate how the program ensures the SF-429A is filed electronically (for all years after 2017), as well as the process for ensuring the accuracy of the SF-429A. 75.343

Monitoring ERSEA: Eligibility, Selection, Enrollment, and Attendance

Overview

Purpose

This section focuses on how the grantee ensures compliance with Eligibility, Recruitment, Selection, Enrollment, and Attendance (ERSEA) program requirements.

Approach

The program will provide child files to assist the reviewers in monitoring that eligible children and families are receiving Head Start services. The grantee will also demonstrate the program's process for ensuring the program remains fully enrolled.

Outcomes

The grantee will share information about ERSEA practices and how data is used to ensure the program maintains funded enrollment based on eligibility criteria.

Federal Regulations

1302.12 (c)-(e); (k)-(m) Determining, verifying, and documenting eligibility
1302.14(b) Children eligible for services under IDEA
1302.15(a) Enrollment

What We Want to Learn

Determining, Verifying, and Documenting Eligibility

A reviewer will assess a sample of files for enrolled children and pregnant women to understand the program's eligibility determinations, including the supporting documentation used to verify eligibility.

PM 1: The grantee enrolls children or pregnant women who are categorically eligible or who meet defined income-eligibility requirements.

1. The grantee will demonstrate how the program maintains files with an eligibility record that includes:
   - The child's or pregnant woman's eligibility category,
   - Documentation that staff completed an in-person or phone interview with the family, and
   - The documents used to determine eligibility for each child or pregnant woman and their authenticity. 1302.12(k)
2. The grantee will demonstrate how the program determines the category of eligibility for children and pregnant women, and how staff monitor and track slot availability. This includes information about which eligibility criteria the family meets, and how the program ensures compliance with over-income criteria: 1302.12(c)(1)-(2); 1302.12(d)(1); 1302.12(e)(1)(iii)

   Eligibility requirements. A pregnant woman or child is eligible if:
   - Family income is equal to or below the poverty line

- Family or child is receiving or is eligible to receive public assistance (Supplemental Security Income and Temporary Assistance for Needy Families)
- Child/Pregnant woman is homeless
- Child is in foster care

Additional income-eligibility criteria include:
- A total of 10% of children enrolled in the program may be above the income threshold.
- An additional 35% of children who are not categorically eligible may be from families whose income is between 100% and 130% of poverty.

3. The grantee will discuss and share the percentages of applicants ineligible for Head Start services, including the following:
- Families who did not meet the categorical eligibility requirements, and the program enrolled as the 10% enrollment above the income threshold (a) above.
- Families who the program enrolled as the additional 35% who were not categorically eligible but whose income was between 100% and 130% of poverty.
- Families who the program did not enroll in the program at all.
- The grantee will describe the program's approach to supporting ineligible families who were not enrolled in the program.

Note: *For tribal programs, there are additional allowances provided under 1302.12(e).*

4. The grantee will describe how the program ensures staff receive ERSEA training and comply with eligibility determination regulations, including having policies and procedures in place to describe actions taken against staff who violate these regulations. 1302.12(l)-(m)
5. The grantee will describe how the program ensures all documents verify family and pregnant woman's income in addition to how the program verifies eligibility signed by staff. 1302.12(a)(ii)

PM 2: At least 10% of the grantee's total funded enrollment is filled by children eligible for services under IDEA or the grantee has received a waiver.

1. The grantee will demonstrate that at least 10% of the program's total funded enrollment is filled by children eligible for services under IDEA, or that the grantee has received a waiver. 1302.14 (b)(1)

Enrollment Verification
PM 3: The grantee maintains and tracks full enrollment.

1. The grantee will share the system for tracking and maintaining full enrollment.
2. The grantee will demonstrate the process for filling vacancies that are 30 days or longer. 1302.15(a)
3. The grantee will share the waitlist of eligible children that ranks children according to the program's selection criteria. 1302.14(c)
4. The grantee will provide data supporting enrollment and attendance numbers for the previous 4 months and demonstrate the accuracy of enrollment data submitted to the OHS.