



## Fiscal Checklist: Policy and Regulation Compliance

This checklist helps directors, managers, and Policy Council members identify and comply with Head Start fiscal policies and regulations. Use this form to identify the person(s) responsible for specific tasks; whether a required policy exists; and if so, the most recent date it was approved. The checklist also provides a way to list actions required to better address each responsibility. Fiscal requirements are linked to their related policies and regulations—*Head Start Act*, *Head Start Program Performance Standards*, *Uniform Guidance*, or the *Grant Application Instructions*.

Level 1: Head Start Fiscal System Overview	Person Responsible / Location	Does Policy Exist Y/N	Date of Approval	Needs (Training, review, revision, approval, other)
What is the timeline for our fiscal management activities? This should include, but not be limited to: <ul style="list-style-type: none"> <li>• Budget development and review</li> <li>• Monitoring actual expenditures against budget projections</li> <li>• Making major expenditures</li> <li>• Audit activities</li> <li>• 1303 Subpart E-Facilities-related activities (as applicable <a href="#">Head Start Act § 644(c)</a>, <a href="#">45 CFR § 1303 Subpart E</a>)</li> </ul>				
How are our staff, governing body/Tribal Council and Policy Council members engaged in fiscal management activities? How and when do they receive fiscal data? ( <a href="#">45 CFR § 1301</a> )				
How do our policies and procedures inform our fiscal management efforts? ( <a href="#">45 CFR § 75.303</a> )				
How does our budgeting process relate to our program planning activities? ( <a href="#">45 CFR §§ 75.301</a> and <a href="#">75.342</a> )				
If applicable, how are we using advisory committees to support fiscal management activities? ( <a href="#">45 CFR § 1301.2(c)</a> )				



Do we have clean audits and have resources been maximized? ( <a href="#">45 CFR § 75.511</a> )				
Are there any major renovation, construction, or purchasing of real property activities underway or being considered? ( <a href="#">45 CFR § 1303.44</a> )				
Do key fiscal staff, hired after Nov. 2016, have the required credentials? ( <a href="#">45 CFR § 1302.91 (c)</a> ) ( <a href="#">Head Start Act 642 (f)(i)</a> )				
Do we have an approved indirect cost? Will we use the 10% de minimis rate? ( <a href="#">45 CFR § 75.414</a> )				
<b>Level 2: Head Start Program and Fiscal Governance</b>	<b>Person Responsible / Location</b>	<b>Does Policy Exist Y/N</b>	<b>Date of Approval</b>	<b>Needs</b> (Training, review, revision, approval, other)
<b>Policy Council</b>				
Receives monthly financial statement, including credit card expenditures (if the program uses credit cards) ( <a href="#">Head Start Act § 642(c)(2)(d)(2)(A)</a> )				
Trained on how to read monthly financial statement ( <a href="#">Head Start Act § 642(c)(2)(d)(3)</a> )				
Training on budget planning and preparation ( <a href="#">Head Start Act § 642(c)(2)(d)(3)</a> )				
Budget planning for program expenditures, including policies for reimbursement related to participation in Policy Council activities ( <a href="#">Head Start Act § 642(c)(2)(D)</a> )				

\* These items are allowable options provided within the Head Start Program Performance Standards, but are not required.



Reviews and approves Grant Application ( <a href="#">Head Start Act § 642(c)(2)(D)(iii)</a> )				
Reviews and approves amended Grant Applications including COLA ( <a href="#">Head Start Act § 642(c)(2)(D)(iii)</a> )				
<b>Board / Tribal Council</b>				
Monthly financial statements, including credit card expenditures (if the program uses credit cards) ( <a href="#">Head Start Act § 642d)(2)</a> )				
Trained on how to read monthly financial statement ( <a href="#">Head Start Act § 642 (d)(3)</a> )				
Policy Committees (Finance)* ( <a href="#">Head Start Act § 642 (c)(3)(A-C)</a> ; <a href="#">45 CFR §1301.4</a> )				
Approves annual operating budget of the agency ( <a href="#">Head Start Act § 642(c)(1)(E)iv)(VII)(aa)</a> )				
Reviews and approves applications and amendments to applications for funding ( <a href="#">Head Start Act § 642(c)((1)(E)(III))</a> )				
Approval of all major financial expenditures of the agency ( <a href="#">Head Start Act § 642(c)(1)(E)(iv)(VII)(aa)</a> )				
Impasse Policies ( <a href="#">Head Start Act § 642 (d)(1)</a> ; <a href="#">45 CFR § 1301.6</a> )				
Conduct of Responsibilities ( <a href="#">Head Start Act § 642 (d)(2)</a> ; <a href="#">45 CFR § 1302.90 (c)</a> )				
At least one member of the governing body has a background and expertise in financial				

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management or accounting <a href="#">(Head Start Act § 642(c)(1)(B)(i))</a>				
The selection (except when a financial auditor is assigned by the state under state law or is assigned under local law) of independent financial auditors to report all critical accounting policies and practices to the governing body (or Tribal Council) <a href="#">(Head Start Act § 642(c)(1)(E)(iv)(VII)(cc)-(dd))</a>				
Review of the financial audit <a href="#">(Head Start Act § 642(c)(1)(E)(iv)(V)(aa))</a>				
Monitoring of the agency's actions to correct any audit findings and other actions necessary to comply with applicable laws (including regulations) governing financial statements and accounting practices (Head Start Act § <a href="#">642(c)(1)(E)(iv)(VII)( dd)</a> )				
<b>Level 3: Head Start Fiscal Elements</b>	<b>Person Responsible/ Location</b>	<b>Does Policy Exist Y/N</b>	<b>Date of Approval</b>	<b>Needs</b> (Training, review, revision, approval, other)
<b>Head Start Budget</b>				
Budget Plan (Head Start Grant Application Instructions v. 3.0)				
Access to HSES (Head Start Enterprise System)				
Policy Council Approval of Budget <a href="#">(Head Start Act § 642(c)(2)(D)(iii))</a>				
Governing Body Approval of Budget and authorized signature (All submissions to OHS, including grant applications, COLA's, and One-time funding requests) <a href="#">(Head Start Act § 642(c)(1)(E)(iv)(III))</a>				

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Timely submission of application (three months prior to start of grant year) (Head Start Grant Application Instructions)				
Grantee Budget Modification Procedure ( <a href="#">Head Start Act § 642(c)(1)(E)(iv)(VII)</a> ); <a href="#">45 CFR § 75.308</a> )				
OHS Budget Modification approval (as necessary, over \$250,000 or 25% of your overall budget) ( <a href="#">45 CFR § 75.308</a> )				
<b>Cost Allocation</b>				
Cost Allocation Plan (including certification) ( <a href="#">45 CFR §§ 75.416–75.419</a> ; <a href="#">Appendix V and VI to Part 75</a> )				
Personnel Time and Effort Tracking ( <a href="#">45 CFR § 75.430</a> )				
15% Administrative Cost Limitation ( <a href="#">45 CFR § 1303.5</a> )				
Waiver of 15% Administrative Cost Limitation ( <a href="#">45 CFR § 1303.5(b)</a> )				
Direct and Indirect Cost determination (45 CFR §§ 75.412, 75.413, 75.414, 75.415, <a href="#">Appendix III and IV to Part 75</a> )				
<b>Non-Federal Match</b>				
Plan to meet 20% non-federal match ( <a href="#">45 CFR § 1303.4</a> )				
Waiver and supporting documentation for waiver of part or all of the non-federal match ( <a href="#">45 CFR § 1303.4</a> and <a href="#">Head Start Act § 640(b)</a> )				
Documentation of non-federal match ( <a href="#">45 CFR § 75.306</a> )				

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Cash intake procedure <a href="#">(45 CFR § 75.306)</a>				
<b>Purchasing/Procurement</b>				
Purchasing Procedures for: <ul style="list-style-type: none"> <li>• Micro-Purchase</li> <li>• Small Purchase</li> <li>• Sealed Bids</li> <li>• Competitive Proposals</li> <li>• Non-Competitive Proposals</li> </ul> <a href="#">(45 CFR § 75.329)</a>				
Approved and implemented procurement procedures <a href="#">(45 CFR § 75.329)</a>				
Approved and implemented inventory procedures <a href="#">(45 CFR § 75.320(d))</a>				
<b>Facilities</b>				
Eligibility to purchase, construct or renovate facilities <a href="#">(45 CFR § 1303.42)</a>				
Application to purchase, construct, and renovate facilities <a href="#">(45 CFR § 1303.44)</a>				
<b>Level 4: Grantee Fiscal Activities</b>	<b>Person Responsible / Location</b>	<b>Does Policy Exist Y/N</b>	<b>Date of Approval</b>	<b>Needs</b> (Training, review, revision, approval, other)
<b>Audits</b>				
The selection (except when a financial auditor is assigned by the state under state law or is assigned under local law) of independent financial auditors to report all critical accounting policies and practices to the governing body (or Tribal Council) <a href="#">(Head Start Act § 642(c)(1)(E)(iv)(VII)(cc))</a>				

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Review of the financial audit by the Policy Council and governing body ( <a href="#">Head Start Act §642((d)(2)(E)</a> )				
Monitoring of the agency’s actions to correct any audit findings and other actions necessary to comply with applicable laws (including regulations) governing financial statements and accounting practices ( <a href="#">Head Start Act §642(c)(1)(E)(iv)(VII)(dd)</a> )				
<b>Human Resources</b>				
Education Qualifications for Chief Financial Officer (if hired after 11/7/16) ( <a href="#">45 CFR § 1302.91(c)</a> )				
Time and Attendance Procedures ( <a href="#">45 CFR § 75.430</a> )				
Payroll Procedures ( <a href="#">45 CFR § 75.430</a> )				
Wage Comparability Study ( <a href="#">Head Start Act § 653</a> )				
<b>Delegate Agencies</b>				
Delegate Agency Agreement ( <a href="#">45 CFR § 1303.31</a> and <a href="#">Head Start Act § 637(3)</a> )				
Policy Committee members of delegates receive timely information ( <a href="#">45 CFR § 1301.3(c)</a> )				
Pass through entity reviews financial reports and performance reports ( <a href="#">45 CFR § 75.352(d)(1)</a> )				
<b>Other</b>				
Fiscal Record Retention and Document Destruction ( <a href="#">45 CFR §§ 75.361 and 75.363</a> )				

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Code of Conduct in Awarding and Contracts ( <a href="#">45 CFR § 75.112</a> )				
Inventory Management – Capital Equipment ( <a href="#">45 CFR §§ 75.319 and 75.320</a> )				
Davis Bacon Compliance <a href="#">Head Start Act § 644(g)(3)</a> )				
Reimbursement plan for reasonable expenses for low-income Policy Council members. ( <a href="#">45 CFR § 1301.3 (e)</a> )				
Insurance and Bonding ( <a href="#">45 CFR § 1303.12</a> , <a href="#">45 CFR § 75.317</a> ) Insurance coverage ( <a href="#">45 CFR § 1303.52</a> )				
Standard Forms: <ul style="list-style-type: none"> <li>• 425</li> <li>• 428</li> <li>• 429</li> </ul> ( <a href="#">PI-16-01</a> ) ( <a href="#">45 CFR § 75.343</a> )				
Reporting the total amount of public and private funds received and the amount from each source in the annual report made to the public ( <a href="#">Head Start Act § (664(a)(2)(A-H))</a> )				
Early Head Start – Childcare Partnerships (Funding Announcement)				

**Additional Resources**

This [linked chart](#) includes HHS regulations that apply to all grants made under the Act [per §1303.3 Other requirements.]

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