

ACF Administration for Children and Families	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
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**PROGRAM INSTRUCTION**

**TO:** Head Start and Early Head Start Grantees and Delegate Agencies

**SUBJECT:** Administrative Simplification for Consolidating Head Start Grants

**INSTRUCTION:**

This Program Instruction (PI) informs grantees of the opportunity to request to consolidate multiple Head Start grants awarded to a grantee. The PI also describes benefits and risks to consider, and outlines the process grantees must follow to submit a request. This opportunity to streamline and remove some of the administrative burdens of managing multiple grants builds on [ACF-IM-HS-19-04 Accounting Simplification for Head Start and Early Head Start Operations and Service Funds](#).

The Office of Head Start (OHS) recognizes a number of grantees with multiple grants are interested in administering one consolidated Head Start or Early Head Start program under one grant or, at a minimum, fewer grants.

**Background**

Prior to the implementation of the Designation Renewal System (DRS), only a handful of grantees had more than one grant. Since DRS went into effect, nearly 25 percent of all grantees are managing multiple grants.

Currently, when an existing grantee is awarded new funding through competition or a new noncompetitive award, the grantee receives a new grant with a unique grant award number and project period for up to five years. Each award has a distinct budget cycle, annual funding amount, funded enrollment level, and designated service area.

**Multiple Grant Considerations**

Grantees managing multiple grants must submit annual applications for each. Because many grants are not on the same refunding schedule, grantees are required to submit applications multiple times per year. All applications submitted by a grantee during the same fiscal year are discrete and must include information for each grant application. This may include the community assessment, program plans and goals, and budget narrative and justification that supports the program design and options of each grant. Planning and allocating costs across multiple grants with different budget and project periods, and often not aligned with the agency's fiscal year can be challenging.

In addition to annual applications for each grant, grantees are required to submit multiple reports periodically, such as financial reports, monthly enrollment reports, and annual Program Information Reports (PIRs). Grantees are also required to maintain data, including centers and contact information, in discrete places for each grant. Each grant is subject to individual requests for particular types of grant actions when needed, such as changes in scope, budget revisions, key staff changes, and waiver requests for a variety of requirements.

### **Benefits**

Consolidating two or more grants would benefit the grantee by streamlining administrative requirements and removing duplicative efforts. Consolidation eliminates tracking cost allocation over multiple Head Start grants with different funding cycles. It also reduces reporting and budget revisions and amendments by grant, and auditing of multiple grants with different cycles. It also affords grantees the opportunity to plan and operate multiple Head Start and Early Head programs more efficiently and cohesively. Funding would support the programs more holistically, and governing bodies and Policy Councils would benefit from a more singular view of budgets, needs, and options.

For program staff, preparing one grant application reflecting all needs, goals, services, and options rather than two or more applications would provide more cohesion to program planning and implementation. It would also free up time for programmatic oversight.

One annual PIR would be required rather than two or more, and federal reporting such as changes to centers, key staff, and correspondence would be less burdensome.

There would be less time spent on internally tracking staff time by grant. Consolidation would allow more flexibility for staff to work as needed or benefit from technical assistance funding without the concern of cost allocating.

### **Risks**

Grantees must also consider the risks. Consolidating existing grants or consolidating an existing grant with funding from a new competitive or noncompetitive award means all funds are subject to the project period of the oldest grant.

For example, if you have an existing grant in its third year of a five-year project period and your agency has another grant in its second year, consolidation would mean funds from the newer grant would assume the project period consistent with the months remaining in the older grant. Similarly, if your agency is awarded new funds and requests to consolidate the new funds into an existing grant, those new funds will have a project period consistent with the months remaining in the existing grant. If your agency requests to consolidate new or existing grant funds with a grant that meets one of the conditions of DRS and is required to compete for renewed funding, the competitive funding made available through a Funding Opportunity Announcement will include the new funding that was consolidated with the existing grant.

Grantees considering the opportunity to request to consolidate grants must ensure that governing bodies are fully engaged in the discussions and are aware of both the risks and benefits of consolidation. Once a consolidation request is approved and implemented, it cannot be reversed. Grantees considering consolidation should also evaluate their fiscal capacity to update fiscal systems and policies and procedures to accommodate a potential change in the number of grant awards.

### **Early Head Start-Child Care Partnership and Early Head Start Expansion Grants**

Grantees with more than one grant funded under accounting codes HP, HI, and HM may submit a consolidation request for these grants. However, due to the nature of the current appropriation, these grants cannot be combined with Head Start and Early Head Start grants under accounting codes CH, CI, and CM.

### **Competitive Funding Opportunity Announcements**

New funding opportunities include the consideration of applicant requests to supplement an existing Head Start grant. The grant award made as a result of the competition (competitive supplement) would assume the length of time remaining in the project period of the existing grant award, which may be less than 60 months. Competitive supplemental awards may result in a reduced amount of funding due to the reduced term of the award. Further guidance will be provided to interested applicants with whom OHS enters into pre-award discussions or negotiations.

### **Intent to Consolidate Existing Grants**

Grantees interested in the opportunity to request to consolidate multiple grants are asked to notify OHS of their intent using the Head Start Enterprise System (HSES).

Please use HSES Correspondence and indicate as the subject line "Intent to Consolidate Grants." Choose the "Select All Regional Office Key Staff" box. The content of the correspondence must include all Regional Office Key Staff. Include the grant numbers you are requesting to consolidate.

OHS will discuss next steps, timelines, and fiscal implications as well as any concerns that may need to be addressed prior to submitting a formal request.

### **Formal Application Submission and Approval**

Grantees must formally request to combine grants via submission of a grant application (e.g., Change of Scope, Noncompetitive New, Noncompetitive Continuation, Supplement, etc.). Indicate the application includes a Change in Scope "*Request to Consolidate Grants*" by checking the appropriate box.

Grantees negotiating a competitive grant are asked to submit an application in HSES in the grant to be supplemented. The application should include any additional information required to process the submission, such as an updated budget, waivers, cost allocation, and program structure changes resulting from the consolidation.

The Administration for Children and Families reserves the right to deny or delay approval of requests to consolidate Head Start grants.

Please contact your Regional Office should you have questions about requesting to consolidate grants.

Thank you for your work on behalf of children and families.

/ Dr. Deborah Bergeron /

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