

Youth Development, Inc.
Early/Head Start
Program Design & Management

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Governing Board

Approval Date:

COMPONENT: Program Design & Management

SUBJECT: Parent Fundraiser Activities and Center Accounts

PERFORMANCE OBJECTIVE: In order to accurately account for all parent fundraising monies, parent funds accounts have been established for all Head Start/Early Head Start centers.

OPERATIONAL PROCEDURE: In order to provide sound accounting procedures for the collection and distribution of the individual center accounts and to provide guidance on allowable expenditures, Youth Development, Inc. and Policy Council have designed the following procedures.

1. All funds must be collected and counted by at least two parents. As per YDI Parent Committee By-laws, the Parent committee President and Parent Committee treasurer count the funds together and sign a statement verifying the amount. YDI employees in no way should be responsible or handle cash.
2. All funds raised must be turned in to the YDI Fiscal Office/YDI Foundation Account. The funds must be in the form of a cashier's check or a money order. The Finance Department will record the revenue and issue a receipt to the individual making the deposit. Deposits are to be made on a daily basis or as required by the YDI Foundation.
3. Funds will be credited to the appropriate center and a monthly report will be distributed to the Policy Council.
4. Parents must not accept personal checks. (Many checks have been returned due to insufficient funds or closed accounts). Fundraisers shall be on a cash basis only.
5. Business donations made by a check will not be posted and/or withdrawn from parent funds until checks have cleared (up to ten (10)).
6. Policy Council and the YDI administration recommends that parent committees expend funds for such items that enrich the Head Start/Early Head Start learning experiences.

7. In accordance with ACYF-PI-HS-06-06 issued 05/10/2006, such fund-raising activities to supplement Head Start program funds are permissible, provided that:
- No Head Start funds are used for fund-raising activities. Costs for such activities are unallowable per the Office of Management and Budget Cost Principles at 2 Code of Federal Regulations (CFR) Part 225, Appendix B and 2 CFR Part 230, Appendix B.
 - No Head Start staff members are engaged in these activities during the period when such staff members are employed. Funds may not be solicited, collected or tabulated during work hours or using Head Start-funded equipment, facilities or supplies during Head Start hours of operation. Head Start staff members may, however, volunteer during non-work time.
 - No Head Start resources (e.g., facilities, equipment, etc.) can be used during the program's normal workday. Such resources may be used on an occasional basis during the time the Head Start program is closed. A grantee may, for example, allow the use of one of its centers on the weekend or in the evening to provide assistance to the fund-raising effort, but may not use the center during the time it is being used to provide Head Start services to enrolled children and families.

Examples of permissible Head Start program fund-raising:

- Head Start staff members may raise contributions of outdoor play equipment from vendors during weekends or other periods when the Head Start program is not in operations, as long as the contribution is voluntary. Such contributions could be tax-deductible as an ordinary and necessary business expense provided the vendor receives something in return, such as a public acknowledgement of its support
 - Head Start parents could hold a rummage sale or bake sale at a Head Start facility on a Sunday afternoon to raise funds for a field trip, provided the facility would otherwise have been unused.
 - Head Start parents and staff members may have a pancake breakfast to raise funds for allowable expenditures on the list provided the staff time for organizing and participating in the event is donated and any promotional material is prepared outside Head Start program time.
8. Funds are raised under the Head Start banner for Head Start-sanctioned activities and purchases to improve the center functions and promote Head Start goals.

Allowable expenditures from fundraising include:

- new outdoor equipment and play structures
- sanctioned field trips during Head Start calendar year that are on the approved field trip list
- specialty classes (dance, music, puppetry) which are directly related to curriculum to enrich classroom experiences
- Dollar per Child
- Funds raised can be used as cash match for other grants to expand or improve Head Start Services and center improvements and supplies. A maximum of \$500.00 can remain in each account for start-up activities for the following year.
- New technology (computers, cameras, ipads)
- Supplemental specialty supplies

Unallowable expenditures

- Christmas gifts/presents
- Caps and gowns
- Parent-sponsored field trips
- Gift certificates
- Movie passes
- Gifts for staff
- Trophies
- Shirts
- any individual items for children
- yearbooks
- individual children's portraits

9. Funds should be expended during the school calendar year for Head Start sponsored events. (See Master Calendar) A plan from each center to expend funds will be developed. Unexpended funds over \$500 will revert to the administration escrow account to be used for Head Start priority areas, unless the plan is to carry over funds for a specific purpose.
10. In order to manage funds and prevent fraud, funds will only be distributed to individuals in increments of \$250.00 at a time. Once the receipts have been returned to the fiscal department, another \$250.00 increment can be requested and distributed. This action is to safeguard parent funds.
11. Requisitions must be submitted **15** days in advance of the event or activity.

Any funds generated from fundraising must be treated as program income in accordance with 45 CFR Part 74.24 or Part 92.25 (although the ACF's general approach, in these situations, to allow grantees to use program income in addition to the ongoing grant award, as opposed to any offset to the ongoing award)

Grantees are again reminded that fund-raising activities should only be related to generating revenue for the benefit of the program's Head Start children and families and that no Head Start grant funds can be used to support the costs of any fund-raising efforts beyond this purpose. Grantees are further reminded that they may not use any Head Start funds or resources, including those generated by program income, for purposes of lobbying. Please refer to 2 CFR Part 225, Appendix B, paragraph 24 and 2 CFR Part 230, Appendix B, paragraph 25 for limitations related to lobbying.

Funds are raised under the assumption from the community that they will be used for long term benefits to the Head Start program.

Failure to abide by these fundraiser policies may result in the loss of fundraiser privileges.

A COPY OF THIS POLICY MUST BE POSTED