Sponsoring Board Governance 101

What to Expect when you are Expected to be a Head Start Board Member
Governance Indicators

Board Effectiveness
Board Operations
Internal Monitoring
Strategic Planning
Program Effectiveness
Funding Stability
Financial Oversight
Constituent Voice
External Relations
Organizational Evaluation

The structure and functions of the Governing Body should support the agency’s strategic priorities, and allow roles and responsibilities to change as the organization moves through their life cycle. Board members must be fully engaged and performance objectives should be clearly stated.
Once an individual accepts a position on a board, they have inherently accepted certain fundamental responsibilities, in addition to a commitment of time and accountability to the organization. The key responsibility of the board is to monitor the organization on behalf of the members and the public that it serves. The board possesses ultimate legal responsibility for the organization.
Serving on a Nonprofit Board

- Board members have a duty of loyalty to the organization, its staff and other board members. While differences of opinion are sure to arise, board members should seek to keep disagreements impersonal. By practicing discretion and accepting decisions made on a majority basis, board unity and confidence will be promoted.

- Board members accomplish their functions through regular meetings and by establishing a committee structure that is appropriate to the size of the organization and the board. Ideally, board members arrive at meetings prepared and ready to engage in thoughtful dialogue, and there is a group process which generates and uses the best thinking of its members.

- Boards should be open to self-evaluation and regularly review their own composition to ensure constituent representation, and board expertise and commitment.
The Head Start Board of Directors, also referred to as the “Board” and the “governing body,” has primary legal and fiduciary responsibility for the Head Start Program.

It ensures that the program fulfills the obligations and requirements set forth in federal, state and local law and contracts. The Board works in partnership with the Delegate Agency Policy Committee (DAPC) and the management team in fulfilling its role and responsibilities.
Expectations for Governing Board Members

- Active participation and meeting attendance
- Familiarization with and adherence to By-laws
- Participate in key HS voting items
- Ongoing communication
Governing Board Roles and Responsibilities

- General Responsibilities
  - Legal and fiscal responsibilities
  - Performance Standards Appendix A
  - Shared decision making
  - Program goals and objectives
  - Ensures appropriate internal controls
Head Start Governance

Upon receiving the designation as a Head Start agency, the agency shall establish and maintain a formal structure for program governance, for the oversight of quality services for Head Start children and families for making decisions related to program design and implementation.
GB Responsibilities

- Determine the mission and purpose of the organization
  
  Mission statements establish the organization’s purpose. The Board must work with the DAPC and program staff to create its mission statement, understand and support it and review it periodically for accuracy and relevance.
  
  - Head Start Performance Standard
    - 1304.50(d)(1)(x)
GB Responsibilities

- (XI) approving personnel policies and procedures, including policies and procedures, and termination of the Executive Director, HS Director, Director of Human Resources, Chief Fiscal Officer, and any other person in an equivalent position with the agency
GB Responsibilities

- The governing body shall have legal and fiscal responsibility for the Head Start agency.
- The governing body shall be composed as follows:
  - (i) Not less than 1 member shall have a background and expertise in fiscal management or accounting.
  - (ii) Not less than 1 member shall have a background and expertise in early childhood education and development.
GB Responsibilities

(iii) Not less than 1 member shall be a licensed attorney familiar with issues that come before the governing body.

(iv) Additional members shall –

• Reflect the community to be served and include parents of children who are currently, or were formerly, enrolled in Head Start programs; and
• Are selected for their expertise in education, business administration, or community affairs.
(vi) If a person described in clause (i), (ii), or (iii) is not available to serve as member of the governing body, the governing body shall use a consultant, or an other individual with relevant expertise, with the qualifications described in that clause, who shall work directly with the governing body.
The governing body shall –

(i) have legal and fiscal responsibility for administering and overseeing programs under this subchapter, including the safeguarding of Federal funds;

(ii) adopt practices that assure active, independent, and informed governance of the Head Start agency, including practices consistent with subsection (d)(1), and fully participate in the development, planning, and evaluation of Head Start programs involved;

(iii) be responsible for ensuring compliance with Federal laws (including regulations) and applicable State, tribal, and local laws (including regulations)
GB Responsibilities

- Determine the mission and purpose of the organization
- To establish & approve written policies that define their roles and responsibilities, and that inform them of the management procedures and functions necessary to implement a high quality program.
- Safeguard the organization’s assets.
- Ensure that effective organizational planning occurs and that resources are available to implement goals and objectives.
GB Responsibilities

- Be responsible for “Reviewing and approving all major policies of the HS agency, including:

  - Annual self-assessment and financial audit
  - Agency’s progress in carrying out programmatic and fiscal provisions in grant application, including implementation of corrective action
  - Personnel policies re: hiring, firing, termination, and compensation of agency employees
GB Responsibilities

- “approving financial management, accounting, and reporting policies, and compliance with laws and regulations related to financial statements, including the –”
  - Approval of all major financial expenditures of agency
GB Responsibilities

- Annual approval of operating budget of agency
- Selection of independent financial auditors who report to governing body
- Monitoring of the agency’s actions to correct any audit findings and of other action necessary to comply with applicable laws governing financial statement and accounting practices
GB Responsibilities

Advisory Committee

- To the extent practicable and appropriate, at the discretion of the governing body, establishing advisory committees to oversee key responsibilities related to program governance and improvement of the Head Start program involved.
GB Responsibilities

- Determine new services and monitor ongoing programs and services.
- Act as liaison between the organization and the community.
- Provide accountability to members
- Participate responsibly in Board activities
- Settle grievances from staff
- Resolve complaints from the community
GB Responsibilities

- Provide accountability, exercise shared decision-making with the policy group, and implement a dispute resolution procedure for resolving disagreements between the Board and policy group.
Governing Board
Conflicts of Interest

[Sec. 642(c)(1)(C)]

- **Cannot have a financial conflict of interest** with the HS agency
- **Cannot get paid** to serve on the Board or to provide services to the HS agency (including delegates)*
- **Cannot be employed** (or have immediate family members employed) by the HS agency (or delegate)*
- Must **operate as an entity independent of staff** employed by HS agency

*Note: exceptions for elected or appointed officials if also appointed to HS Board*
Policy Council Conflicts of Interest

- PC members may not have a conflict of interest with the HS agency
- May not receive compensation for serving on the PC or for providing services to the HS agency
Policy Council Composition

- **Elected by** parents of children who are currently enrolled in HS

- Composed of:
  - **Majority** must be parents of currently enrolled children (51%)
  - Rest must be members at large of the community served by the HS program
    - may include parents of formerly enrolled children
Shared Decision-Making

- Shared decision-making is both a mandate and an opportunity for governing bodies and policy groups in Head Start programs. Effective shared decision-making integrates input from both groups. Standards are set in article 1304.50 of the HS Performance Standards.
  - Strong governing bodies are aware that they are only one part of an integrated whole.
  - Shared governance responsibilities must have procedures that are approved/adopted by the Board and the Policy Council.
  - The governing body’s relationship to the policy group has many facets: mentor, coach, partner, and peer.
Head Start Performance Standards

- Mandatory regulations
- Defines the objective and features of quality Head Start program
- Articulates a vision of service delivery
- Provides regulatory structure for the monitoring and enforcement of quality standards
Oversight Tools for Head Start Boards

1. Annual Report
2. Annual audit by an independent auditor
3. Monthly financial statements
4. Annual grant application
5. Long-range goals and short-term objectives
6. Organization chart
7. Articles of Incorporation and Bylaws
8. Community Assessment (full/every three years; update annually)
9. Self-Assessment (annually)
10. Monthly or regular program status reports
11. Head Start Performance Standards and Appendix A
12. Tri-annual PRISM review
13. Child outcome data
14. Published articles and media reports related to the program
15. Parent surveys
Head Start Services and Systems

- Early Childhood Development and Health Services
- Family and Community Partnerships
- Services to Children with Disabilities
- Program Design and Management
- Fiscal Management
- Eligibility, Recruitment, Selection, Enrollment & Attendance (ERSEA)
- Facilities
GB Role During PRISM

- Members of the GB will participate in a Governing Body Interview during the Federal Monitoring Review (PRISM) process.
- The purpose of the interview is to understand how the group exercises oversight and to ensure accountability.
- In addition, the interview is held to learn how knowledgeable the GB is about the HS program.
Financial Management

- Non-Federal Funds are Treated the Same as Federal Funds
  - Provided for in the approved budget
  - Allowable (necessary, reasonable, allocable)
  - Related to project or program objectives
  - Justified and documented
  - Accounted for in the official accounting records of the agency
Financial Management

- Basic Concepts of Financial Management
  - Accountability
  - Internal Controls (Federal Regulations)
  - Justification and Documentation (Maintain Supporting Evidence)
  - Reduction of Risk (Prevent negatives on program)
# Three Main Types of In-Kind Match

<table>
<thead>
<tr>
<th>Type</th>
<th>Value</th>
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<tbody>
<tr>
<td>Facilities</td>
<td>Fair market value</td>
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<tr>
<td>Volunteer Services</td>
<td>Consistent with value of similar work</td>
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<tr>
<td>Materials, Supplies</td>
<td>Fair market value at time of donation</td>
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Fund Raising

- Applicable Cost Principles for Fund Raising
  - Regulations stipulate that cost for fund raising are unallowable.
  - Performance Standards
    - 45 CFR Part 74.27 sets forth the applicable Cost Principles for Nonprofit Grantees
    - 45 CFR Part 92.22 sets forth the applicable Cost Principle for State, Local and Tribal Governments
    - 2 CFR Part 225, Appendix B, section 17
    - 2 CFR Part 230, Appendix B. section 17
The *PI reinforces the concept that the activity is allowable but cost associated with the activity are not.

No Head Start resources (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.
HSSBC COMMITTEES

Executive Committee

*Consists of the Officers of the Council, sets the agenda for the Council’s work and for its meetings and discussions; may take actions as necessary when the full Board is not available.*

- President
- Vice President (1st and 2nd)
- Secretary
- Treasurer
HSSBC COMMITTEES

- Finance
- Committee on Board Membership
- Personnel Committee
- HS Management/Welfare Fund
- Collective Bargaining Committee
- Development Committee
- DC1707 Local 95 Head Start Employees Welfare Fund
- Pension Committee
JOINT RESPONSIBILITIES

(in addition to portions of Standards of Conduct)
Joint Responsibilities
Reviewing Funding Applications

Board
- Be responsible for reviewing all HS funding applications and amendments

Policy Council
- Approve and submit to the Governing Board decisions about applications for HS funding and amendments, prior to submission
Joint Responsibilities
Budgeting

**Board**
- Annual approval of the operating budget of the agency

**Policy Council**
- Approve and submit to the Governing Body decisions about budget planning for program expenditures, including policies for reimbursement and participation in PC activities
Joint Responsibilities

Recruitment, Selection, and Enrollment

ERSEA* Policy (can go above and beyond this to satisfy ERSEA policy)

Board

- Be responsible for establishing procedures and criteria for recruitment, selection, and enrollment of children

Policy Council

- Approve and Submit to the Governing Body decisions about program, recruitment, selection, and enrollment priorities
Joint Responsibilities
Selection of Delegate Agencies

Board
○ Be responsible for selecting delegate agencies and the service areas for such agencies

Policy Council
○ Approve and submit to the Governing Body recommendations on the selection of delegate agencies and the service areas for such agencies
Joint Responsibilities
Sharing of Information

“Establishing procedures and guidelines for the Board and PC to regularly access and collect”

- Monthly financial statements (including credit card expenditures)
- Monthly program information reports
- Program enrollment reports
- Monthly reports for meals and snacks provided through Department of Agriculture programs
- Financial audit
- Annual self-assessment (and any findings)
- Community-wide strategic planning and needs assessment of the HS agency
- Communication and guidance from the Secretary
- PIRs (program information report)
New Impasse Policies

Disputes between the Board and PC
Have a procedure for final resolution (mediation, binding arbitration, etc.)

- The Secretary (HHS) shall develop policies, procedures, and guidance on the resolution of internal disputes, including
  - Governance impasses; and
  - Facilitation of meaningful consultation and collaboration about decisions of the governing body and PC
Training and Technical Assistance for Board and PC

- Appropriate T/TA must be provided to the members of the Board and PC to “ensure that they understand the information they receive and can effectively oversee and participate in the programs of the HS agency.”
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<tr>
<th>ACRONYMS</th>
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<tr>
<td>ACS – Administration for Children’s Services</td>
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<td>ACD – Agency for Child Development</td>
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<td>ACF – Administration for Children and Families (Feds)</td>
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<td>ADA – Americans with Disabilities Act</td>
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<td>BEGIN – Begin Employment Gain Independence Now</td>
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<td>BOCES – Board of Cooperative Education Services</td>
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<td>CA – Community Assessment</td>
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<td>CAA – Community Action Agency</td>
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<td>CACFP – Child and Adult Care Food Program</td>
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<td>CAPS – Child Agency Payment System</td>
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<td>CDA – Child Development Associate</td>
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<td>CHR – Child Health Record</td>
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<td>CNA – Community Needs Assessment</td>
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<td>COB – Carry Over Balance</td>
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<td>CPC – Center Parent Committee</td>
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<td>CWHSPC – City Wide Head Start Policy Council</td>
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<tr>
<td>DAMER – Delegate Agency Monthly Expense Report</td>
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<td>DASAT – Delegate Agency Self Assessment Tool</td>
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<td>DOE – Department of Education</td>
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<td>DOH – Department of Health</td>
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<td>DAPC – Delegate Agency Policy Committee</td>
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<td>ECERS – Early Childhood Environment Rating Scale</td>
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<td>FIA – Family Independence Administration</td>
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<tr>
<td>FPA – Family Partnership Agreement</td>
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<td>FY – Fiscal Year</td>
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ACRONYMS

HAC – Health Advisory Committee
HHS – Health and Human Services
HSSBC – Head Start Sponsoring Board Council
IDEA – Individuals with Disabilities Act
MOC – Mayor’s Office of Contracts
NAEYC – National Association for the Education of Young Children
NHSA – National Head Start Association
NYCHA – New York City Housing Authority
NYSHSA – New York State Head Start Association
OES – Office of Employment Services
OMB – Office of Management and Budget
OTPS – Other Than Personnel Services
PA – Program Account
PAI – Program Assessment Instrument
PIR – Program Information Report
PPB – Procurement Policy Board
PRISM – Program Review Instrument for Systems Monitoring
PTI – Parent Training Institute
PY – Program Year
RFP – Request for Proposal
SSCBT – Social Services Competency Based Training
WEP – Work Experience Program