

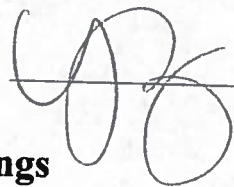


DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES
Office of Head Start
8th Floor Portal Building
1250 Maryland Avenue, SW
Washington, DC 20024

To: Board Chairperson
Mrs. Rose Vigil
Board Chairperson
Rocky Mountain SER/Jobs for Progress, Inc.
3555 Pecos St.
Denver, CO 80211

From: Responsible HHS Official
Ms. Yvette Sanchez Fuentes
Director, Office of Head Start


3/7/11
Date

Overview of Findings

From 11/21/2010 to 11/23/2010, the Administration for Children and Families (ACF) conducted an on-site monitoring follow-up review of the Rocky Mountain SER/Jobs for Progress, Inc. Head Start program to determine whether the previously identified findings had been corrected. We wish to thank the governing body, Policy Council, staff, and parents of your program for their cooperation and assistance during the review. This Head Start Review Report has been issued to Mrs. Rose Vigil, Board Chairperson, as legal notice to your agency of the results of the on-site program review.

Based on the information gathered during our review, we have closed the previously identified findings. Accordingly, no corrective action is required at this time. If you have questions about this report, please contact your ACF Regional Office.

Distribution of the Head Start Review Report

Copies of this report will be distributed to the following recipients:

- Mr. Ross Weaver, Regional Program Manager
- Ms. Lila Cordova, Policy Council Chairperson
- Mr. Christopher Anderson, CEO/Executive Director
- Ms. Judy Lopez, Head Start Director

Overview Information

Review Type: *Follow Up*
Organization: *Rocky Mountain SER/Jobs for Progress, Inc.*
Program Type: *Head Start*
Team Leader: *Mr. Mark Heinert*
Funded Enrollment HS: *2276*

cc. CHRIS H
Lance V.
Joseph S.

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Funded Enrollment EHS: *Not Applicable*

Status of Previously Identified Areas of Noncompliance

Date of Review in which Noncompliance was identified	Applicable Standards	Program Type	Status
Oct 18, 2009	74.21(b)(2)	HS	Corrected
Oct 18, 2009	74.22(b)(2)	HS	Corrected
Oct 18, 2009	1304.41(c)(1), 1304.41(c)(1)(iv)	HS	Corrected
Oct 18, 2009	1305.9	HS	Corrected

PART 74 - Financial And Program Management

74.21 Standards for financial management systems.

(b) Recipients' financial management systems shall provide for the following:

(2) Records that identify adequately the source and application of funds for HHS-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest. Triennial(10/18/2009)

The grantee's financial management system did not provide records to adequately identify the sources and application of funds for the Head Start program. The grantee operated Extended Care Services (ECS) and Colorado Preschool and Kindergarten Program (CPKP) classes in addition to the Head Start program.

A review of the grantee's North and South Regions Head Start Budget-Versus-Actual report for the year ending December 31, 2008 found total expenses of \$13,652,750, including Head Start, ECS, and CPKP, but did not separately identify Head Start expenses. The report showed non-Head Start revenue including ECS fees of \$173,142, CPKP at \$73,374, contributions of \$36,586, and miscellaneous revenue of \$66,338. A review of the grantee's Final SF-269 report for the period found it showed Head Start expenses of \$13,699,171 but did not reflect the revenue from non-Head Start sources. In an interview, the Interim Finance Director confirmed Head Start program expenditures were combined with expenditures incurred in the Wraparound program.

The grantee's financial records did not adequately identify Head Start expenses and were not in agreement with the Final SF-269; therefore, the grantee was not in compliance with the regulation.

Follow Up - Corrected

The grantee ensured its financial records adequately identified the application of Head Start charges. In an interview, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) stated the Extended Child Services (ECS) program was terminated effective May 20, 2010, and a review of a letter sent to parents on January 8, 2010 confirmed their statement. The CEO and CFO also stated children in the Denver Preschool Program (DPP) and the Colorado Preschool and Kindergarten Program (CPKP) were dually enrolled in Head Start, and services provided to all enrolled children met Head Start Program Performance Standards requirements.

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The grantee ended the ECS program, which served ineligible children, and accounted for the remaining funding streams--Head Start, DPP, and CPKP--as a single blended program not requiring cost allocation; therefore, it was in compliance with the regulation.

PART 74 - Financial And Program Management

74.22 Payment.

(b)

(2) Unless inconsistent with statutory program purposes, cash advances to a recipient organization shall be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the recipient organization in carrying out the purpose of the approved program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the recipient organization for direct program or project costs and the proportionate share of any allowable indirect costs.

Triennial(10/18/2009)

The grantee did not establish cash advances were limited to the minimum amounts needed or timed with actual, immediate cash requirements. A review of the grantee's financial reports found on the last day of the Fiscal Year (FY) 2008 award period, the grantee's drawdown was in excess of Head Start expenditures and included accounts payable outstanding for a significant amount of time.

A review of the PSC-272 Federal Cash Transaction report for the quarter ending December 31, 2008 found the grantee reported an ending cash balance of \$0 and a draw of \$13,699,171 against the award for the same year. The amount agreed with the total Head Start expenditures on the Final SF-269 Financial Status Report for the award period but was not in agreement with the \$13,652,750 in total expenses reflected in the grantee's North and South Regions Head Start Budget-Versus-Actual report, which included both Head Start expenses and expenses for Extended Care Services and the Colorado Pre-K Program. A review of the grantee's Head Start Accounts Payable listing on December 31, 2008 found vendors were owed \$268,730 at year end, including \$70,109 for November 2008 and \$12,197 for months prior to November.

A review of a selection of cash-advance requests from the PSC-272 report for the quarter ending December 31, 2008 found no supporting documentation to verify the amount of grant funds requested. The report showed 19 cash advances totaling \$3,231,407. In an interview the Interim Finance Director stated he was unable to produce documentation to support the cash advances.

The grantee's total FY 2008 cash requests exceeded disbursements reflected in the financial records, and the organization did not maintain documentation to support individual cash requests; therefore, the grantee was not in compliance with the regulation.

Follow Up - Corrected

The grantee ensured cash advances were limited to the minimum amounts needed and timed with actual, immediate cash requirements in carrying out the approved program. A review of Cash Request forms for October 22 and November 10, 2010 found documentation supporting the

amount of grant funds requested. The forms were for \$49,594.16 and \$106,355.93, respectively, and were approved by the Chief Financial Officer (CFO) and supported by Invoice Aging reports with Head Start expenditures highlighted in yellow by the Accounts Payable (AP) Technician. In an interview, the AP Technician confirmed when the Region AP Technician pulled the aging reports, they had Head Start expenditures highlighted, and the Head Start expenditures were then reviewed by the CFO. A review of invoices found they were supported by purchase orders coded to Head Start-200, by activity and component, and by line-item expense code.

The grantee ensured its cash draw amounts were documented and limited to the minimum amounts needed; therefore, it was in compliance with the regulation.

PART 1304 - Program Performance Standards For Operation Of Head Start Programs By Grantees And Delegate Agencies

1304.41 Community Partnerships.

(c) Transition Services

(1) Grantee and delegate agencies must establish and maintain procedures to support successful transitions for enrolled children and families from previous child care programs into Early Head Start or Head Start and from Head Start into elementary school, a Title I of the Elementary and Secondary Education Act preschool program, or other child care settings. These procedures must include:

(iv) Initiating joint transition-related training for Early Head Start or Head Start staff and school or other child development staff.

Triennial(10/18/2009)

The grantee did not initiate joint transition-related training for Head Start and school staff. In an interview, the Education Managers from Denver and Grand Junction stated no joint training related to transition was planned with the local public school staff. A review of the disabilities service plans for Denver, Western Slope, and Southern Colorado did not find provisions for joint transition-related training.

The grantee did not initiate joint transition-related training with local public schools as required; therefore, it was not in compliance with the regulation.

Follow Up - Corrected

The grantee initiated joint transition-related training for Head Start and school staff. In an interview, the Education Managers from the Denver and Grand Junction Centers stated joint transition-related training was planned with public school staff in January 2011. A review of the November 18, 2010 managers meeting minutes confirmed their statement. Management team members from the Denver Center, two teachers and two Family Service Workers, representatives from three area elementary schools, the Director of Child Find from Denver Public Schools, two Family Advocates from Family Star Early Head Start, and the Mental Health Consultant were scheduled to attend the training. A review of the disabilities service plan; Memoranda of Understanding from the Denver, Western Slope, and Southern Colorado Centers; transition flyers; and parent activity guides found evidence of planning for transition-related training between Head Start and public school staff.

The grantee initiated joint transition-related training for Head Start and public school staff;

therefore, it was in compliance with the regulation.

**PART 1305 - Eligibility, Recruitment, Selection, Enrollment And Attendance In Head Start
1305.9 Policy on fees.**

A Head Start program must not prescribe any fee schedule or otherwise provide for the charging of any fees for participation in the program. If the family of a child determined to be eligible for participation by a Head Start program volunteers to pay part or all of the costs of the child's participation, the Head Start program may accept the voluntary payments and record the payments as program income.

Under no circumstances shall a Head Start program solicit, encourage, or in any other way condition a child's enrollment or participation in the program upon the payment of a fee.
Triennial(10/18/2009)

The grantee conditioned children's participation in the Head Start program upon payment of a fee. The grantee offered a fee-based extended-day program for Head Start children. A review of the Wraparound Program Parent Agreement/Private Pay found it included a statement precluding children from participating in the Head Start program if payment was not made on time. The agreement also stated children would not be allowed to transfer to another grantee Head Start program until payment was made.

In an interview, the Director of the Highland Center confirmed parents were required to enter into an agreement with the grantee to participate in the Extended Services program. She also stated the fees were paid either by parents or other subsidized funding.

The grantee conditioned children's participation in Head Start upon payment of a fee for the extended-day program; therefore, it was out of compliance with the regulation.

Follow Up - Corrected

The grantee ensured it no longer conditioned participation in the Head Start program on payment of a fee. A review of a January 8, 2010 letter to parents determined parents were notified, effective May 20, 2010, the grantee would close its two full-day, wrap-around centers and would no longer require extended-day fees. In an interview, the Head Start Director confirmed the wrap-around program option was eliminated effective May 20, 2010.

The grantee no longer operated an extended-day program and conditioned children's participation in Head Start on payment of a fee; therefore, it was in compliance with the regulation.

— END OF REPORT —

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