South Central Iowa
Community Action Program

FISCAL PROCEDURES MANUAL

MISSION STATEMENT

SCICAP empowers individuals and families with services to become self-sufficient and contribute positively to their communities.

(Adopted 4/28/21)

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South Central Iowa
Community Action Program

Table of Contents

Section		Content
A	Preface	Introduction
B	Bank Reconciliations	Bank Statement Procedure
C	Budgets	Financial Budgets
D	Cash/Check Receipts	Handling Cash and Checks
E	Cash Disbursements	Accounts Payable
F	Client Appeal Procedure	Instructions For Filing an Appeal
G	Code of Conduct	Employee Conduct
H	Conflict of Interest	Ethical Conduct of Business
I	Consultants	Consultant Contracts
J	Cost Allocation Procedures	Direct and Allocated Expenses
K	Cost Estimating	Cost Accounting System
L	Credit Cards and Store Accounts	Authorized use of Credit Cards & Store Accounts
M	CSBG Funds For Board Meeting Meals	CSBG Funds For Meals
N	Executive Compensation	Compensation for High-Level Employees
O	Governing Board Fiscal Oversight	Governing Board Responsibilities
P	Grants and Contracts	Compliance with Grants/Contract
Q	Insurance	Agency Insurance
R	Inventory	Equipment, Vehicles, Supplies, and Disposal
S	New Hire Procedures	New Hire Payroll Procedure
T	Non-Federal In-Kind Contributions	In-Kind Requirements
U	Procurement Procedure	Guidelines for Procurement
V	Rental Agreement Leases	Leases
W	Reports	Grant Reporting
X	Retention of Records	Storing Records
Y	Timecards and Payroll Processing	Payroll
Z	Travel	Local and Out of Area Travel
1	Wage Analysis For HS Compliance	Wage Compensation

PREFACE

The SCICAP Fiscal Procedures Manual has been developed with the intent of establishing and implementing a clear and concise set of guidelines for recording and controlling the receipt, custody, and disbursement of all agency assets. To this end, the SCICAP By-laws and Employee Handbook are incorporated herein by reference.

SCICAP supports public disclosure and transparency of financial information. The annual audit is published on the agency website. All contractual financial requirements shall be met. Any public request for financial information, allowed by federal, state and agency guidelines, will be provided. A copy fee may be charged.

The Fiscal Officer will review the financial procedures annually, and update policies as needed in the Fiscal Procedures Manual with the approval of the Executive Director and Governing Board prior to implementation. The Governing Board voted to adopt the requirements of the Super Circular (2CFR) issued by the federal government effective July 2015.

The Governing Board will have oversight responsibilities for the financial management of the agency's funds. Accurate minutes of all meetings of the Governing Board will be prepared by the board appointed secretary. The Executive Director, Fiscal Officer, HS/EHS Director, and all current Board Directors will receive a copy of the minutes. The Fiscal Officer will note all items in the minutes relating to finance and take appropriate action.

The Fiscal Officer shall be responsible for the training and cross-training of all fiscal personnel and must be capable of performing the duties of absent fiscal personnel.

Fiscal duties and responsibilities shall be separated as possible so that no one employee has sole control over cash receipts, disbursements, payroll, reconciliation or bank accounts, etc.

Program related income will be used for the total cost of the program generating the income.

All reports generated from within the Fiscal Department shall be reviewed and approved by the Fiscal Officer, the Executive Director, or their designee prior to release.

The Executive Director shall designate signature authority if needed. In addition, contract language may allow for designated signees. The agency will comply with all contract language. In all cases where telephone approval is given by a funding source, a letter confirming that conversation and its contents will be immediately prepared and sent to the funding source. Email provides a paper trail and is the preferred method of communication.

BANK RECONCILIATIONS

1. Bank statements are examined by the Fiscal Officer and the Executive Director, who initials and dates, showing reviewed.

2. Paid check copies will be examined for any irregularities by the Fiscal Officer.

3. The Fiscal Officer prepares the bank reconciliations monthly.

4. The reconciled bank balance will be compared to the Cash in Bank account in the General Ledger by the Fiscal Officer.

5. Deposits will be compared to the cash / check register.

6. The fiscal Officer will take appropriate action on checks outstanding 90 or more days.

    - The recipient will be contacted to determine the reason for not cashing the check.
    - A letter of notification is sent to check recipient with date of stop payment.
    - The check shall be voided one hundred twenty (120) days after it is written.

BUDGETS

1. Financial budgets will be prepared by the program director and Fiscal Officer. The Executive Director will review and approve all budgets.

2. The Fiscal Officer will ensure that budgets are on file for all grants and contracts.

3. Changes to the budgets will be reviewed by the Executive Director, program director and the Fiscal Officer as soon as they occur.

CASH / CHECK RECEIPTS

1. All cash & checks received in the administrative office will be immediately forwarded to the Administrative Assistant/Receptionist, who will record the receipt on the cash /check register.

2. All checks will be stamped on the back showing endorsement.

3. A deposit slip will be completed in duplicate by the fiscal department. The deposit slip will include the source and amount of each receipt.

4. Documentation for all receipts (copy of check, letter, etc.) will be attached to the duplicate deposit slip after bank employee stamps the date of deposit and initials it.

5. All deposits will be made daily or as needed by the Administrative Asst/Receptionist or designee.

6. The duplicate deposit slip, along with the documentation, is forwarded to the Fiscal office.

7. The Fiscal Officer will record all cash receipts and checks in the agency's accounting software system, which posts the transactions to the general ledger.

8. The duplicate deposit slip, along with the attached documentation, will be filed by month.

9. If cash or checks are received at an office other than administrative:
   a.) All receipts (cash or check) will be acknowledged by issuing a numbered receipt that identifies the payer, amount, date, and reason for payment.
   b.) Checks and cash will be forwarded to the administrative office along with a copy of the receipt issued for recording in the general ledger.
   c.) Monthly a copy of all receipts issued by external offices will be faxed/emailed to the fiscal office for reconciliation.

10. Donations of cash and non-program related income will be accounted for separately.

CASH DISBURSMENTS

1. The program director, or their designee, will compare the purchase order with the packing slip and invoice. The invoice(s) will be stamped, account distribution coded, approved by the program director and forwarded to the fiscal department for processing.

2. Upon receipt of invoice(s) approved by program director for payment, the Fiscal Department will double check the mathematical accuracy of the invoice, validate merchandise and / or services billed were received, and verify that the account distribution of the charge is correct.

3. At the close of a grant period, the program director will coordinate with the Fiscal Officer to determine what expenditures or invoices are outstanding. The Fiscal Officer will make a journal entry to the general ledger to record the expense as a payable or a prepaid expense.

4. The Fiscal Department will be responsible for all blank checks which will be kept under lock and key.

5. The HR Coordinator will print the check, accompanied by supporting documentation, which will be signed by the Executive Director and stamped with the Board Chairperson's signature.

6. Check vouchers will be distributed as follows:
   - Original check with stub - mailed to payee by the HR Coordinator.
   - Accounting copy of check stub stapled to invoice documentation and filed by vendor.

7. The Fiscal Officer will post the transactions to the general ledger electronically.

8. Voided checks will have **"Void"** boldly stamped across the face of the check and the signature portion of the original check. The voided checks are filed numerically and stored in the fiscal office.

CLIENT APPEAL PROCEDURE

Applicants and participants in SCICAP programs can file a complaint or an appeal. For programs and services that have appeal procedures dictated to SCICAP by contract, statute, regulation or similar requirement, the procedure for that program will be followed. An applicant or program participant will only be entitled to utilize a single appeal procedure for a single situation. SCICAP staff will direct an appeal or complaint to the appropriate process.

Applicants and participants in SCICAP programs may file an appeal or complaint if (a) you are denied assistance or (b) if you believe that your benefits or services received were not accurately determined or (c) if you have a complaint of any other nature.

The complaint must be filed within twenty (20) calendar days from the date of approval or denial, or when the service was provided.

Appeals must be made in writing, submitted to the SCICAP Executive Director, P.O. Box 715, Chariton, IA 50049. The appeal must:

1. Include your contact information – name, address, phone number and email address if applicable;
2. State the program, service or type of assistance that you were seeking or received;
3. The basis or reason for the appeal (why you believe you should have received services or how they should have been different); and
4. Include the desired action to be taken.

The agency will review your request and notify you of the result within ten (10) calendar days from the date the appeal is received by SCICAP. The notification will be in writing and either hand delivered to you or mailed to you at the address specified in your appeal; the date of notification will be the date the document was handed to you or the postmark date, whichever is applicable.

If you still do not agree with the decision reached, you may write to the agency again within seventeen (17) calendar days of the agency's decision date (postmark date if sent in mail) and request that a state hearing be held. This request must be addressed to the SCICAP Executive Director at the above address. The request must include an explanation of why you disagree with the agency's decision and include any information that might affect the hearing decision.

The agency will then forward all the information about your request for a hearing to the state and a hearing will be scheduled. You will receive written notice of a state scheduled hearing from the state program administrator. The notice will include the date, time and place of hearing and the following rights, which you have before and at the hearing. State hearings may be held by telephone at a mutually convenient time.

If you wish, prior to the hearing, the agency will provide an opportunity for you to review the case file and any written evidence that will be used in the hearing.

A representative may accompany you to the hearing.

You and/or the representative can:

- Present oral or written statements and other evidence;
- Have witnesses subpoenaed;
- Cross examine witnesses; and
- Bring an interpreter if needed.

All testimony is given under oath. The hearing is recorded, and the decision is based on the record. State hearings shall be conducted before the Administration of the Division of Community Action Agencies unless delegated to an administrative law judge pursuant to Iowa Code 17A.11. You will receive written notification of any final or proposed decision.

If you still do not agree with the decision reached, you may request a hearing within twenty (20) days of the issuance of the state's decision. Your request must state the specific grounds for requesting and must be addressed to Iowa Health and Human Services, Community Action/Family Services Division, Lucas State Office Building 2nd Floor, Des Moines, IA 50319. If a request is not received within twenty (20) days, the case shall be considered closed. *(3-26-2025)*

CODE OF CONDUCT

SCICAP shall enforce the following Code of Conduct for all officers, employees, or agents. Any breach shall result in disciplinary action as determined by the Executive Director.

A. Employees of SCICAP and delegate agencies are prohibited from accepting gifts, money, and gratuities from persons receiving benefits of service under a SCICAP program or performing services under contract or otherwise in a position to benefit from an employee action.

B. SCICAP officers, employees or agents shall neither solicit nor accept gratuities, favors, or anything of significant monetary value from contractors nor potential contractors. Employees shall notify their immediate supervisor if they are offered such items. This is not intended to preclude bona-fide agency fundraising activities.

C. No employee, officer, or agent of SCICAP shall participate in the selection, award, or administration of a contract or procurement, if the persons would have a financial interest in that contract through:

1. The employee, officer, or agent
2. Any member of his or her immediate family
3. His or her business partner
4. An organization in which any of the above is an officer, director, or employee
5. A person or organization with whom any of the above individuals is negotiating or has any arrangement concerning prospective employment.

D. All board directors and staff will sign conflict of interest forms. Forms will be kept in appropriate manner.

CONFLICT OF INTEREST

Purpose/Policy

SCICAP conducts business ethically and avoids conflicts of interest including the appearance of such conflicts. All persons involved in the Organization operations have an equal obligation to avoid conflicts of interest.

Procedure

1. Employees/Governing Board Members are expected to report conflicts of interest to Executive Director immediately upon discovery or suspicion of the conflict. Examples of conflicts of interest are listed below (but not limited only to these items):

   a. An outside business interest that competes with the activities of the Organization.
   b. An outside business that is a purchaser or supplier of goods or services to the Organization.
   c. An outside business involvement or employment that interferes with the ability to devote necessary attention to the responsibilities at the Organization.
   d. A relative or person with a significant relationship to the employee/Governing Board member is employed by, or has a business interest in, any company that competes with, sells to, or buys from the Organization.
   e. Purchase inducements (gifts, premiums, money, goods, or services) from vendors that benefit the employee personally (directly or indirectly) or are unauthorized or questionable in nature.

2. Personal gifts and favors from people with whom the Organization has a business relationship are prohibited. Officers, board directors, employees, and agents of SCICAP shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, vendors, potential vendors, customers, or parties to contracts or agreements.

3. Members of the Governing Board, Administering Board or Governing Board of any public, private, or nonprofit organization funded by SCICAP, or members of any major policy advisory bodies, are not eligible for employment with the Organization. Former members of these boards and advisory bodies are eligible for employment following their resignation.

4. When the board votes and a Governing Board member has a vested interest in the vote (e.g., it is their company, they have family members involved, etc.) that board member is to leave the room during the entire discussion where conflict may arise and refrain from voting by stepping outside of the room while a vote occurs.

5. SCICAP expects employees to conduct business in accordance with relevant policies, procedures, and laws and to refrain from any illegal, dishonest, or unethical conduct.

6. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

Regulation- 45 CFR Part 1304.50 (b) (6) No grantee or delegate agency staff (or members of their immediate families) may serve on Policy Councils or Policy Committees except parents who occasionally substitute for regular Early Head Start or Head Start staff. In the case of Tribal grantees, this exclusion applies only to Tribal staff who work in areas directly related to or which directly impact upon any Early Head Start or Head Start administrative, fiscal or programmatic issues.

45 CFR Part 74.42- The recipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer or agent shall participate in the selection, award or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer or agent, or any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or any of monetary value from contractors, or parties to sub agreements. However, recipients may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employers, or agents of the recipients.

CONSULTANTS

1. Consideration will be given to in-house capabilities to accomplish services before contracting for them.

2. The written contract clearly defining the work to be performed will be maintained for all consultants and contract services.

3. The qualifications of the consultant and reasonableness of fees will be considered in hiring consultants.

4. The Executive Director will approve proposed contracts.

5. Consultant services will be paid for as services are billed.

6. The HR Coordinator will request a W-9 to be completed by consultant and filed in the Fiscal office.

7. The Fiscal Officer will prepare a 1099 miscellaneous or 1099 NEC annually for consultants that meet guidelines.

8. The Governing Board will approve audit and other significant contracts in excess of $50,000.

9. Delegate agency contracts will be approved by the appropriate funding source.

COST ALLOCATION PROCEDURES

ADMINISTRATIVE (INDIRECT) COSTS: South Central Iowa Community Action Program negotiates an indirect cost rate with its cognizant grantor, currently, the Dept. of Health and Human Services. This rate is applied to the individual programs on the basis of all direct salaries, including vacation, holiday, sick leave, and other paid absences, but excludes all other fringe benefits. To ensure accuracy and cover any adjustments made to the wage base, the indirect cost charge will be calculated on a YTD basis each month, subtracted from the previous month's YTD, with the balance being booked as the current month's charge. The Fiscal Officer submits an Indirect Cost Proposal based on actual costs of the agency for the prior fiscal year as reflected in the audit report. (Statement of Functional Expense Statement)

PERSONNEL (Direct)
Employees working for multiple programs allocate their time according to actual hours worked for each program as indicated on employee's timesheet. (Ex. actual hours worked to provide Wrap Around childcare before and/or after the core HS/EHS program are charged directly to Wrap Around whereas, the hours worked for HS/EHS are charged to the core program)

FRINGE (Direct)
Fringe benefits are calculated each payroll based on actual hours worked and expensed to the applicable program by the payroll processing company. If an employee works for more than one program, benefits are expensed to the applicable programs on a percentage based on the actual hours worked in each program per pay period. This is calculated by the payroll processing company.

LEAVE TIME (Direct)
Accrued annual vacation liability is determined each payroll based on actual hours worked and expensed to the applicable program by the payroll processing company and charged to the accrued annual vacation pool account. Accrued annual vacation is expensed when earned and paid out of the accrued vacation pool account when leave is taken. Accrued vacation in the payroll data base is reconciled to the accrued vacation liability pool account annually at the end of the fiscal year. Sick leave and holiday are expensed to applicable programs when used. If an employee works more than one program, leave is expensed to the applicable program on a percentage basis. Unless indicated otherwise, sick and holiday hours are charged to the employee's home department.

TRAVEL (Allocated)
Travel incurred for multiple programs will be allocated based on funded participants (ex. HS/EHS is based on number of funded slots)

TRAVEL (Direct)
Travel incurred for a single program will be charged to the applicable program.

EQUIPMENT (Allocated)
Equipment purchased for use by multiple programs will be allocated on the basis of funded participants (ex. HS/EHS based on number of funded slots).

EQUIPMENT (Direct)
Equipment incurred for a single program will be charged to the applicable program.

CONTRACTUAL (Direct)
Contractual expenses are charged directly to the program that incurs them

FACILITIES/CONSTRUCTION (Direct)
Cost incurred for facilities/construction expense is charged directly to the applicable program. If facilities are shared between programs, space costs are allocated based upon average time spent in programs by personnel assigned there.

REPAIRS/MAINTENANCE (Direct)
Cost incurred for repairs/maintenance expense at a single program facility is charged directly to the applicable program.

COPIES (Direct)
Main copier located in administrative building at 1711 Osceola Avenue, Chariton, IA has preset codes for each program. The outreach offices manually record # of copies made for each program. At month end, the applicable programs are charged for their actual copier use by the Fiscal Officer. Programs owning or leasing copiers pay for all costs associated to those copiers.

POSTAGE (Direct)
The postage meter located at the administrative building at 1711 Osceola Avenue, Chariton, IA has preset codes for each program. At month end, the Fiscal Officer will charge each applicable program for their actual postage use. Postage requests, charged directly to the applicable programs, are also used to obtain a check to purchase postage from post offices in the outlying areas.

TELEPHONE (Allocated)
The monthly charge for main phone lines at the administrative building are broken down and charged to applicable programs by a percentage based on the number of phones.

TELEPHONE (Direct)
Outreach offices are charged to programs utilizing the equipment. The Fiscal Officer creates a chart that is updated when any significant change in usage occurs.

CELL PHONES (Direct)
Cell phones will be charged to the program that requests them. Employees will be reimbursed for company usage of their personal cell phones at the rate of $40/month for full-time employees. Costs will be reviewed yearly.

UTILITIES (Direct)
The cost incurred for utilities at a single program facility is charged directly to the applicable program.

UTILITIES (Allocated)
Utilities expense for the administrative building located at 1711 Osceola Avenue, Chariton, IA is addressed in Occupancy costs. Outreach offices charge programs utilizing the site via a chart created by the Fiscal Officer which recognizes the space consumed by program. This chart will be updated when any significant change in usage occurs.

INSURANCE (Direct)
Cost incurred that can readily be identified to a single program is charged directly to that program. (Ex. property & vehicle insurance)

INSURANCE (Allocated)
Insurance costs based on participant information will be charged to applicable programs using participant numbers as a basis (Ex. child liability).

OCCUPANCY (Allocated)
Occupancy expense for programs located at the administrative office at 1711 Osceola Avenue, Chariton, IA is based on actual utilities, repairs & custodial expense. This expense is divided per sq. ft. of occupied space based on floor plan layout. Common use areas are not included.

OCCUPANCY (Direct)
The Fiscal Officer charges rent to CSBG, LiHEAP, FaDSS, and PAT for space occupied at the Outreach Centers. All programs are charged rent on a monthly basis. Programs, other than HS/EHS, operating during the summer in a HS/EHS facility will be required to pay utilities incurred as a result of operation.

SUBSCRIPTIONS (Direct)
Total amount is charged to appropriate program when invoice is paid, regardless of if program ends during paid period. Only one charge per grant year for yearly subscription

SUPPLIES (Direct)
Program is charged when invoice is paid unless at end of grant year or end of fiscal year. If at the end of grant year or end of fiscal year, program is charged and set up as a payable expense or an invoice is paid and set up as a pre-paid expense and the program not charged until later (ex. rent due prior to the first of the new grant year)

SUPPLIES (Allocated)
Supplies utilized by multiple programs will be allocated based on funded participants (ex: HS/EHS based on number of funded slots).

TRAINING/REGISTRATION (Allocated)
Training/registration fees incurred for multiple programs will be allocated based on funded participants (ex. HS/EHS based on number of slots)

TRAINING/REGISTRATION (Direct)
Training/registration fees incurred for a single program will be charged to the applicable program.

HEAD START CASH DRAW DOWNS
Drawdowns are made 2-3 times a month by the Fiscal Officer on a reimbursement basis based on expenditures of Head Start/EHS at the time of draw down.

IT (INFORMATION TECHNOLOGY) SERVICES (Direct)
IT services are tracked internally using a ticketing system by the fiscal department. Cost incurred that can readily be identified to a single program is charged directly to that program. Overall costs related to the server, backup, and central internet connection are charged to the indirect cost pool. *(3-26-2025)*

COST ESTIMATING

Responsibility for Cost Estimating
Cost estimates for the Agency's grant proposals to funding sources are prepared by the program managers and fiscal officer. The Executive Director, Fiscal Officer and program supervisors will set a timeline and framework for developing the budgets.

Authorized Cost Estimating Techniques
Costs are based upon an estimate of actual costs projected for a specified grant period. The previous twelve month actual costs are used for comparison. All cost estimating is periodically reviewed for its accuracy and reliability, and appropriate adjustments are made as deemed necessary.

Cost Accounting System Support for Estimating
The Agency's accounting system provides detailed financial data for cost estimating purposes. All costs are accounted for by fund and if appropriate, broken down by departments within each fund. Cost breakdowns are available for:

1. Personnel costs (wages/fringe)
2. Travel (in-area/out-of-area/Board)
3. Equipment (purchase/rental/maintenance)
4. Other: telephone/printing/postage/publications/dues/registration/fees/micellaneous/advertising
5. Construction/renovation (building improvements)
6. Contractual (consultants/purchased transportation)
7. Indirect (Agency-wide administrative costs)
8. Client service dollars

Estimating Labor Costs
The Agency uses actual direct labor expense as the method of estimating labor costs.

Using Factors and Allowances
To facilitate cost estimating, the Agency employs an indirect cost rate.
For all factors and allowances used in cost estimating, actual costs are utilized.

Rebates and Credits
Returns, rebates or credits are allocated and credited to the applicable funding source.

- Rebates are applied to the year in which the purchase was made if still open. If the year is closed when the rebate arrives, apply to the current fund year either as miscellaneous revenue or apply against the line item from which the rebate purchase was made.

Estimating Indirect Costs

- Indirect cost proposals are prepared annually (if required) using actual historical costs for the previous twelve months. The approved indirect cost rate is used for grant proposals.

Cost Proposal Support

For each cost proposal submitted to the funding sources, the Agency has detailed documentation supporting the following information:

1. The basis for establishing the source and reasonableness of price for all acquisitions of materials, property and equipment;
2. A breakdown of the labor hours, rates and expenses per department and funding source;
3. Indirect cost rate and the basis of allocation, by fiscal year;
4. Basis for expensing all other direct costs;
5. Copies of all quotations and bid proposals received, whether accepted or not.

CREDIT CARDS AND STORE ACCOUNTS

Gas Purchases:
Gas cards that are used for agency purposes are assigned and kept by the employees who normally drive for agency business. Employees that are purchasing gas are required to sign a receipt and return the receipt to the fiscal department.

Grocery and Department Stores:
Purchasing locations are determined in our 5 country area by the Executive Director. Employees are to get permission and a purchase order number from their supervisor to purchase items. When purchasing items, employees are required to sign a receipt and return the receipt to their supervisor.

Dollar General Card:
The SCICAP Dollar General card is kept in the fiscal department. Only authorized personnel can make purchases. Card is logged in/out by the personnel using the card.

Company Credit Card:
The agency has three company credit cards. The fiscal department always maintains possession of the cards in a locked drawer. The Executive Director/Head Start Director may allow company purchases to be made via the card after the normal approval process has been followed. All receipts will be delivered to the fiscal office. The card statement is mailed directly to the fiscal office, whose personnel will reconcile all charges to receipts and pay the balance on a monthly basis. No cash advances are allowed from these cards.

CSBG FUNDS FOR BOARD MEETING MEALS

Purpose

The purpose of this policy is to define when and how the South Central Iowa Community Action Program (SCICAP) may use Community Services Block Grant (CSBG) funds to provide meals during official Governing Board meetings. Evening meetings and extended meeting hours can create participation challenges; providing modest meals supports full participation of SCICAP's tripartite Governing Board.

Policy Statement

SCICAP may use CSBG funds to purchase meals for official Governing Board meetings when meetings occur during customary mealtimes or when the duration of the meeting reasonably requires meal provision. Meal purchases must be modest, necessary, documented, and supportive of the Board's governance responsibilities under CSBG.

Allowability and Justification

Meal expenses for SCICAP Board meetings are allowable as CSBG administrative costs when they are reasonable, necessary, and allocable to governance activities. CSBG IM#37 identifies administrative costs related to governance oversight as allowable. HHS guidance permits food purchases when documented as a necessary expense under an applicable exception. SCICAP's official Board meetings qualify as governance activities essential to fulfilling CSBG program responsibilities.

Providing meals supports SCICAP's mission by reducing barriers for volunteer and low-income Board Directors, promoting consistent attendance and informed oversight of CSBG-funded programs.

Conditions of Allowability

- Meals may be purchased only for official SCICAP Governing Board meetings
- Costs must be modest and reflect typical local pricing
- Only food and non-alcoholic beverages may be purchased
- Meals may not be purchased for appreciation events or non-governance meetings
- Meals must be provided only when meeting times reasonably overlap with standard meal hours or when meeting length makes meal provision necessary

Documentation Requirements

SCICAP must maintain the following documentation for each meal purchase:

- Official Board meeting agenda

- Board meeting minutes showing attendance
- Date, time, and location of the meeting
- Number of participants receiving meals
- Itemized receipts
- Written justification explaining why meal provision was necessary

Documentation must be retained in accordance with SCICAP's fiscal policies and federal record retention requirements.

Approval Process

All meal-related expenses must be approved by the SCICAP Executive Director. Approval must include written justification that the meal was necessary, properly documented, and budgeted under CSBG administrative costs.

Budgeting and Fiscal Oversight

- Meal expenses must appear as a designated administrative-cost line item in SCICAP's CSBG budget
- SCICAP fiscal staff will review meal expenses monthly as part of regular fiscal oversight
- Expenses will be examined during CSBG monitoring to ensure compliance with federal requirements and SCICAP fiscal procedures as defined in the Iowa CSBG Policy and Procedures Manual

Policy Review and Updates

This policy will be reviewed annually by the SCICAP Fiscal Director and updated as necessary based on changes to federal or state guidance. Any revisions will be submitted to the Governing Board for approval. *(9-16-2026)*

EXECUTIVE COMPENSATION

Purpose
The Internal Revenue Service can penalize a charitable organization whenever unreasonable or excessive compensation is paid to high-level employees. The perception of excessive compensation can be damaging to a specific philanthropic organization as well as the whole field of philanthropy. Over and above any legal requirements or public scrutiny, as good stewards of philanthropic resources, we should go the extra mile to be certain that levels of compensation are reasonable.

Responsibilities
It is the policy of SCICAP in reviewing and approving the total executive compensation paid to all high level employees, to:

1 Provide reasonable compensation as defined as what similar persons in similar positions with similar duties at similar organizations are paid;
2. Approve any compensation arrangements in advance by the Governing Board, exclusive of any directors who have a conflict of interest with respect to the compensation arrangements;
3. Obtain and rely upon appropriate data as to comparability prior to setting compensation. This may include, but is not limited to, compensation levels paid by similarly situated organizations for functionally comparable positions, compensation studies or surveys, and written offers from similar institutions competing for the services of the person under consideration;
4. Document the decision concurrently (within 60 days of the decision or the date of the next meeting of the board, whichever is later). Such documentation shall include:
    - The terms of the compensation and the date it was approved;
    - The directors of the board who were present during the debate on the compensation that was approved and those who voted on it;
    - The comparability data obtained and relied upon and how the data was obtained;
    - Any actions taken with respect to the decision by anyone who is otherwise a director of the board, but who had a conflict of interest with respect to the compensation decision.

GOVERNING BOARD FISCAL OVERSIGHT

The Governing Board will be prepared to manage Board responsibilities and oversight regarding agency programming with the assistance of the Executive Director. The following procedures are designed to enhance the Board's oversight.

A primary Governing Board responsibility is to make sure an annual independent audit is conducted in accordance with program directives including 45CFR 1301.12. The audit committee of the board shall meet in order to ensure that the proper planning, implementation, and audit follow-up are achieved. The audit committee shall report to the Governing Board and the board will act as necessary to ensure the audit is conducted. The Governing Board will review the final audit and follow up as required. The Governing Board will direct and monitor the Executive Director's role in this process, and its completion.

The Governing Board will evaluate the Executive Director annually. The Governing Board's calendar will contain the appropriate dates needed to achieve this process.

The Governing Board is responsible for ensuring appropriate internal controls are established and implemented in accordance with 45 CFR 1301.13. The agency will secure the services of a Certified Public Account (CPA) in order to assist in the internal preparation of financial statements that conform to generally accepted accounting principles (GAAP). The CPA will also provide support to fiscal staff regarding training and procedure review. These services will be contracted and reviewed annually by the Governing Board. The 990 Form will be prepared by the CPA firm and signed by the Executive Director.

The Board will create and follow a Governing Board calendar each year. The calendar will include important dates for agency programs and is presented annually by the Executive Director. Board members vote on the calendar with input solicited from members for changes/additions. The calendar dates will coincide with all necessary planning, implementation, and follow-up activities. The calendar may be up-dated as needed by the board. The Governing Board will direct and monitor the Executive Director's role in this process and its completion.

The Governing Board will be responsible for monitoring the Head Start Community assessment process and the achievement of goals resulting from the assessment/planning process. A planning calendar will establish a time frame to monitor progress. The Head Start Director and Executive Director will report to the Governing Board on progress.

Governing Board training will be a responsibility of the board with assistance of the Executive Director. The Executive Director will determine board training based on program needs. The Executive Director will provide the training or secure the services of appropriate trainers. Board training will be provided at each board meeting as outlined in the board calendar; where possible, those trainings will be part of the board calendar. In cases of specific program training (fiscal training), the Governing Board shall monitor the plan for training. The board shall direct and monitor the Executive Director's role in this process.

Loans from outside sources (banks, other agencies, etc.) will be approved by the Governing Board and funding source, if applicable.

GRANTS AND CONTRACTS

1. One copy of all grants and contracts will be immediately forwarded to the Fiscal Officer and to the Executive Director.

2. The Fiscal Officer will list each award on the grant contract register.

3. The Fiscal Officer will carefully review each award to ensure that the organization complies with all financial provisions.

4. The Executive Director will carefully review each award to ensure that the organization complies with all provisions.

INSURANCE

1. Insurance policies will be maintained by the Fiscal Officer or a designated accountant.

2. Insurance policies will be carefully reviewed by the Fiscal Officer before renewal.

3. Coverage will be maintained for motor vehicle, other property, liability insurance and others as recommended by the agency insurance broker.

4. The Fiscal Officer will produce the reports and process the invoices for workers compensation and all other insurance correspondence.

5. All insurance claims including compensation and property claims will be reported to the Fiscal Officer. The Fiscal Officer will then turn the claim into the insurance company on a timely basis.

6. The Fiscal Officer will inform the Executive Director of all claims.

7. Insurance expense for vehicles, property and liability will be direct charged, based on program ownership or use thereof.

INVENTORY

EQUIPMENT

1. Equipment shall always be defined (purchased, government excess or donated) with a unit cost of $5,000.00 or more and a useful life of more than one year, unless the specific funder requires a lesser amount, then that amount will prevail.

2. Program directors are responsible for recording acquisition, transfers, and disposals of equipment.

3. Equipment records shall be maintained accurately and shall include the following information:
    - A description of the equipment;
    - Manufacturers' serial number, model number, Federal stock number, national stock number, or other identification number;
    - Source of the equipment, including the award number;
    - Whether title vests in the recipient or the Federal government;
    - Acquisition date (or date received, if the equipment was furnished by the Federal government) and cost;
    - Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal government);
    - Location and condition of the equipment and the date the information was reported;
    - Unit acquisition cost;
    - Ultimate disposition data, including the date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share.

4. Each program director will be notified of all cases of loss, damage, or destruction of equipment. He/she will, in turn, make a report to the Fiscal Officer who will notify the insurance carriers if necessary and/or the regional property administrator.

VEHICLE

A vehicle inventory will be maintained for all motor vehicles owned by the agency. Agency employees will park all vehicles at agency sites.

SUPPLIES

Supplies / Equipment will be inventoried and controlled by each program director.

DISPOSAL

The Program Director shall determine the need for disposal of program assets and show justification for such action. The Executive Director shall approve or reject each request for disposal of program assets.

Assets will be disposed of in the most cost effective manner. If it is cost effective to use sealed bids the sealed bid procedure for procurement shall be used. Bids will be forwarded to the Fiscal Department. Any revenue generated from disposal of assets shall be handled with all applicable regulations and contractual requirements.

NEW HIRE PROCEDURES

1. A change of status form will be completed and approved by the program director and must also be approved by the Executive Director and Payroll department.

2. The HR Coordinator will be responsible for making sure all new employees receive and complete the following:
   - Form W-4 Employee Withholding Certificate, Federal and State;
   - All Benefit forms, including Insurance application forms, Disclosure of IPERS Benefits **or** Election for Termination of IPERS Coverage
   - Form I-9 Eligibility for Employment
   - Direct Deposit Authorization
   - Background Check

All required forms with employee signatures

3. The HR Coordinator will be responsible for making sure all new employees receive instructions on locating the SCICAP website link to the Employee Handbook and login information/instructions for time sheets and Employer on Demand.

The HR Coordinator will set up a personnel file for each new employee. The employment application, Form W-4, copy of employee's social security card, and benefit forms will be placed in the employee's personnel file.

NON-FEDERAL IN-KIND CONTRIBUTIONS

Each program director is responsible for the generation of the non-federal requirement of his/her program.

The employee who receives the contribution will prepare the in-kind voucher, have the donor sign it, and submit documentation to the Fiscal Officer or Designee by the end of the month.

The Fiscal Officer will prepare a journal entry to record in-kind in the current accounting software system when submitted by program directors.

Examples of donated time, space, and supplies are calculated as follows:

- Donated services are valued at fair market value at the time of service and/or supported by contract language;
- Donated space is valued at fair market;
- Donated supplies are valued at fair market value at the date of donation.

The Agency prohibits the resale of donated goods.

PROCUREMENT PROCEDURE AND CHECKLIST

SCICAP purchases only goods and services which are reasonable and necessary to carry out the mission of the organization and the requirements of its grants, contracts and donors. Purchases of goods and services which will be charged to federal and state grants and contracts (including through the allocation of indirect costs) must be allowable and allocable in accordance with the terms of the grants and contracts. SCICAP will follow the methods of procurement described in Code of Federal Regulations, specifically 2CFR200.320.

1. Micro-purchase indicates a purchase of goods or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold (currently $10,000). Simplified acquisition procedures state that purchases may be awarded without soliciting competitive quotations if the agency considers the price to be reasonable. SCICAP will define micro-purchases as those that aggregate less than $10,000. *(4-15-26)*

2. Procurement by small purchase procedures is those relatively simple and informal procedure methods for securing services, supplies and other property that do not cost more than the simplified acquisition threshold (currently $100,000). If small, purchased procedures are used, price or rate quotations must be obtained from at least two qualified sources. SCICAP will use the "small purchase procedures" for expenditures between $10,000 and $24,999. *(4-15-26)*

3. For procurement in excess of $25,000, one of the following methods shall be used:
   - Procurement by sealed bids (formal advertising). Bids are publicly solicited, and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all material terms and conditions of the invitation for bids, is the lowest in price. See section 2CFR200.320 for further conditions of a sealed bid.
   - Procurement by competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type of contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:
   - Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests must be considered to the maximum extent practical.
   - Proposals must be solicited from an adequate number of qualified sources.
   - The agency must have a written method for conducting technical evaluations of the proposals received and for selecting recipients.
   - Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program with price and other factors considered.

4. Procurement by non-competitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
   - The item is available only from a single source.
   - The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
   - The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the agency.
   - After solicitation of several sources, competition is determined to be inadequate.

5. SCICAP also requires:
   - All non-repetitive purchases should have a purchase order approved by the program director or designee prior to purchase and should accompany the invoice for that purchase when submitted for payment. This does not include repetitive expenses such as utilities, phone bills or bills covered by a contract or ongoing lease. (4-15-26)
   - The Executive Director approves all purchases in excess of $10,000. *(4-15-26)*
   - The Governing Board will approve all purchase of real property (land, building and building improvements) and any purchase in excess of $50,000.

6. Pre-numbered purchase orders will be maintained on SharePoint, an electronic file, maintained by the fiscal department, with access granted to approved managers and supervisors.
   - Those authorized will access their individual folders
   - An excel sheet will list available order numbers
   - The blank purchase order will be completed with all relevant information
   - The purchase order will be saved electronically
   - A copy of the purchase order will be stapled to the invoice when it is approved by the manager/supervisor before it is submitted to fiscal for payment
   - The fiscal department will review open purchase orders and contact the manager/supervisor regarding old/outdated purchase orders on a monthly basis
   - Disapproved purchase orders will be marked "DISAPPROVED" and returned to person who requested with a statement in writing as to the reason for disapproval
   - The fiscal department will account for all pre-numbered purchase orders.

7. All program contract requirements will be followed.

8. If there are no discrepancies, the Accounting Clerk will prepare the check authorization and attach all backup. If there are discrepancies, the vendor will be immediately notified by the Accounting Clerk.

9. Vendor files shall be maintained by the fiscal department for all vendors used by the agency, which will include a completed W-9 form. Annually, or when a new vendor is established, the fiscal department will check the national website for persons or entities suspended or barred from doing business with the federal government.

10. SCICAP fiscal policies require that the procurement and disposition of assets adhere to the individual grantors guidelines regarding prior approval. Some grantors require that all purchases over $10,000 /unit require prior approved before procurement is completed. It is SCICAP's policy to adhere to the individual grantor requirements, including an annual summary of assets for Head Start. In the case of disposition, grantors have varying requirements for prior approval. For example, Head Start requires prior notification if the disposition value of the item exceeds ~~0~~ $10,000. State grants may carry a lesser value per unit. It is SCICAP's policy to adhere to the individual grantor requirements. *(4-15-26)*

RENTAL AGREEMENT LEASES

1. The Executive Director will review and approve all rental agreement leases.

2. Any contractual lease for more than two (2) years shall be Governing Board approved.

3. Leases will correspond to program years whenever possible.

4. Copies of all leases will be immediately forwarded to the Fiscal Officer and kept on file for auditing purposes.

5. If possible, all leases will contain wording to allow lease cancellation if funding for payment is discontinued.

REPORTS

1. Monthly and quarterly financial reports, as determined per contract will be prepared by the fiscal department.

2. The Executive Director, or Executive Director Designee, will review and approve all reports to funding sources.

3. The Executive Director, or Executive Director Designee, will sign all reports to funding sources.

4. Monthly and quarterly financial reports will be reviewed by the appropriate Program Director and Finance Officer.

5. The Fiscal Department will prepare and maintain a listing of reports and due dates on a current basis.

6. It will be the responsibility of the fiscal department to ensure that all reports are submitted on a timely basis.

RECORD RETENTION AND DISPOSAL

It is the policy of SCICAP to retain records as required by law and to destroy them when appropriate. This policy covers paper and electronic documents. Paper documents to be destroyed will be sorted and disposed of according to local ordinances. Sensitive material will be shredded. Electronic documents will be deleted from all servers, jump drives, and other storage devices. The destruction of records must be approved by the Executive Director, HS Director, and Financial Director. The formal records retention policy of SCICAP is as follows:

Records Retained Permanently:
Agency Corporate Records
Audit reports
Board of Director's Meeting Minutes, Bylaws, and Charters
Contracts
Correspondence: Legal and Important Matters Only
Deeds, Mortgages, and Bills of Sales
Depreciation schedules
General ledgers/year end trial balance
Insurance records (policies, claims, etc.)
Journals
IRS Forms
Loan Information
Property Records (incl. depreciation schedules)
Retirement and Pension Records
990 Tax returns
Trademark Registrations and Copyrights
Year-end Financial Statements

Records Retained for six (6) years from the end of the year to which the record pertains- not from the date of the record:
Accident Reports/Claims (settled cases)
Accounts Payable Ledgers and Schedules
Accounts Receivable Ledgers and Schedules
Bank Reconciliations/Bank Statements
Contracts, Mortgages, Notes, and Leases: Expired
Correspondence: General, routine with customers and/or vendors
Duplicate Deposit Slips
Employment Applications
Expense analyses/expense distribution schedule
Financial Statements other than Annual
Garnishments
Insurance Policies (expired)
Internal Reports

Inventories of products, materials, and supplies (If applicable)
Invoices (to customers, from vendors)
Notes Receivable Ledgers and Schedules
Payroll Records and Summaries
Personnel Records (terminated)
Petty Cash Vouchers
Physical inventory tags
Purchase Orders
Receiving Sheets
Requisitions
Sales Records
Subsidiary Ledgers
Time sheets/cards
Voucher register and schedules
Withholding Tax Statements

TIMECARDS AND PAYROLL PROCESSING

1. Each employee will be responsible for completing an online timecard and making it available to his/her supervisor at the close of the pay period for approval.

2. Incomplete, inaccurate, or late timecards may result in an employee's pay being inaccurate, with corrections being made the following pay period.

3. Supervisors will verify the accuracy of the timecards by the date advised by the payroll department. The payroll department performs a final review of timecards and submits them to the payroll processor.

4. After processing, the payroll register, payroll reports, general ledger entries, and proposed tax payments are reviewed prior to payment.

5. All timecards, payroll registers, labor distributions, and employee data files are stored electronically by the payroll processor. All files are accessible on-line by authorized agency personnel.

6. The fiscal department prepares the journal entry to enter wage, tax, and benefit information into the general ledger. Direct deposits and tax payments are charged to the agency bank account and the payroll processor. The payroll processor has the liability and responsibility to submit all taxes and tax forms when due. Copies of tax forms are provided to the agency.

TRAVEL

Local Travel

1. Reimbursement for mileage will be based upon a Board approved rate per mile. *(.50 effective 8-01-22)*

2. Mileage to designated worksites from residence will not be paid by the agency.

3. Every employee shall have a designated office from which mileage shall be calculated. In cases where it is a cost benefit to pay mileage from an employee's home to the job site, an allowance will be made, provided proper documentation is included in the travel expense statement.

4. At the end of the month, the travel expense statement will be totaled, signed by the employee, signed by the supervisor, and submitted on a timely basis for payment by the last working day of the month. Anything submitted later will be paid in the following month.

5. Reimbursement will be based upon actual expenses. Receipts other than for meals must be attached to the expense statement. Daily meal cost out of area will be reimbursed at GSA.GOV published rate for individual meals when you are away from your official station for longer than 12 hours. (FTR 301-11.101) *(3-26-2025)*

6. Incomplete travel vouchers will be returned to the supervisors for completion before paying.

7. The Program Director will verify the travel expense statements and calculate the amount of the travel reimbursement.

8. Employees who are required to drive agency owned vehicles as part of their employment duties shall maintain and provide proof of insurability and a valid driver's license. A non-certified driving record should be acquired by the employee and given to the HR Coordinator. The HR Coordinator provides the site address and a QR code. The HR Coordinator will monitor for compliance. Employees must maintain a log with miles driven. Personal use of company vehicles is not allowed. (3-26-2025)

9. Employees using personal owned vehicles for agency business are required to provide proof of automobile liability coverage and valid driver's license. A non-certified driving record should be acquired by the employee and given to the HR Coordinator. The HR Coordinator provides the site address and a QR code. Failure to do so will result in non-reimbursement of mileage. HR Coordinator will monitor for compliance. *(3-26-2025)*

10. Non-employees incurring expenses while carrying out duties for the agency shall use the same agency guidelines.

11. Failure to maintain a valid driver's license and insurability may result in termination of position.

Out of Area Travel

Occasionally travel outside the area is required for training and other purposes. The following guidelines are intended to provide general information regarding reimbursement for such travel and steps required for documentation. This policy is effective for employees, the governing board, policy council and all committee members traveling to SCICAP, Inc.

1. Meals: The cost of meals will only be reimbursed when an employee is out of the local areas (Clarke, Decatur, Lucas, Monroe, and Wayne Counties). PAT/ECI also includes Appanoose and Davis Counties. FaDSS includes Madison, Adair, Taylor, Union, Ringgold, and Adams Counties. Attach a meeting/training agenda. Reimbursement will be in accordance with rates for localities as established by the United States government Services Administration (www.gsa.gov/perdiem), and employees are not required to submit receipts for meal reimbursement. The GSA breaks down the daily per diem for each locality into Breakfast, Lunch, Dinner, and Incidentals. The Agency's policy is to reimburse the employee for Breakfast, Lunch, and Dinner expenditures only, according to the rates established by the GSA (for incidental expenditures, see "Other Expenses" please refer to the Expense Reimbursement policy in the Employee Handbook). Meal reimbursement amounts are the maximum allowed amount. When meals are included in the conference or training activities, a staff person cannot request meal reimbursement unless there are special circumstances. The employee must discuss these circumstances with their supervisor prior to the closeout, and the circumstances must be documented. For the days of departure and return, the following applies:
a. Day of Departure: On the day of departure, staff will be eligible for reimbursement for meals according to the following:
    1. Breakfast: Must leave prior to 6:00 am
    2. Lunch: Must leave prior to 11:00 am
    3. Dinner: Must leave prior to 5:00 pm
b. Day of Return: On the day of return, staff will be eligible for reimbursement for meals according to the following:
    1. Breakfast: Must arrive back after 8:00 am
    2. Lunch: Must arrive back after 1:00 pm
    3. Dinner: Must arrive back after 7:00 pm

The departure and arrival times assume a "straight trip time." In other words, if you leave Des Moines at 5:00 to return home and the trip ordinarily takes 1 ½ hours, you will not qualify for dinner even if you stopped at 6:15 pm and spent one hour eating causing you to arrive home at 7:15 pm. All travel advance request forms must be signed by the employee's supervisor and submitted to the Accounts Payable Department for processing 15 days prior to travel. *(9-27-23)*

2. Lodging: Lodging will be paid with receipt required. Iowa Code section 80.45A: for any public money to be used for lodging, the Iowa lodging provider must certify with the Department of Public Safety that all its employees have received approved human trafficking training. Further information is available at www.stophtiowa.org. A list of certified hotels is posted at www.stophtiowa.org/certified-locations.

3. Mileage: Mileage for use of personal vehicles will be reimbursed at the agency approved rate, currently 50 cents/mile.

4. Other Expenses: Other expenses may occur while traveling such as parking, luggage fees, transportation, and any other non-meal expenses; these are reimbursed with receipt required.

5. Travel Advance: Employees may, with the approval of the department head, request a travel advance to cover the cost of per diem and other expenses. This advance must be submitted to the accounting department 15 days prior to travel with the necessary approval.

6. Expense Report: It will be necessary to turn in receipts for travel, lodging and other expenses excluding meals; all items will be recorded on the expense report. Any unused portion of the travel advance will be returned to the agency. All expense reports will be submitted within 10 days of return with receipts attached.

All mileage and travel expenses will be paid on the next billing cycle and a claim for such pay must be submitted in writing on an expense form signed by the employee and approved by the employee's supervisor.

Please refer to the Expense Reimbursement policy in the Employee Handbook.

WAGE ANALYSIS FOR COMPLIANCE WITH HEAD START COMPENSATION CAP

1. The Governing Board, through the Personnel Committee and the Executive Director, will annually review, after wage increases, if any, the total compensation paid to all personnel, either all or in part from Head Start funds, to assure compliance with the Compensation Cap requirement in accordance with the Federal Regulation ACF-PI-HS-08-03 which was implemented. *(5/12/2008)*

The Head Start Act contains language in Section 653 regarding limitations on the compensation of Head Start staff. Specifically, it precludes using any Federal funds (including, of course, Head Start grant funds) to pay any part of the compensation* of an individual employed by a Head Start agency if that individual's compensation exceeds the rate payable for level II of the Executive Schedule ($225,700 as of 01/01/2025) *(3-27-2025)*

* Compensation is specifically defined in Section 653 to include "salaries, bonuses, periodic payments, severance pay, the value of any vacation time, the value of a compensatory or paid leave benefit not [explicitly] excluded and the fair market value of any employee perquisite or benefit not [explicitly] excluded." Explicitly excluded from counting as compensation is "any Head Start agency expenditure for health, medical, life insurance, disability, retirement or any other employee welfare or pension benefit." This requirement will not permit any Head Start (or other federal) funds to be used to pay any part of that individual's compensation. That is, all that employee's compensation would have to come from non-federal sources or the individual's compensation would need to be reduced. It is important to note that this cap applies to all staff who receive any part of their compensation from Head Start (or other federal funding sources), including those whose salaries are part of an indirect cost pool.