



ADMINISTRATION FOR
CHILDREN & FAMILIES

Office of Head Start | 4th floor Switzer Memorial Building, 330 C Street SW, Washington DC | eclkc.ohs.acf.hhs.gov

To: Board Chairperson

Mr. Brad LeMaster
Board Chairperson
Gateway Community Services Organization, Inc.
151 University Dr.
West Liberty, KY 41472-2146

From: Responsible HHS Official

Dr. Blanca Enriquez
Director, Office of Head Start

Blanca E. Enriquez 4/15/16
Date

Overview of Findings

From 3/14/2016 to 3/18/2016, the Administration for Children and Families (ACF) conducted a Fiscal/ERSEA (Eligibility, Recruitment, Selection, Enrollment, and Attendance) review event for the Gateway Community Services Organization, Inc. Head Start program. We wish to thank the governing body, Policy Council, staff, and parents of your program for their cooperation and assistance during the review event. This Head Start Review Event Report has been issued to Mr. Brad LeMaster, Board Chairperson, as legal notice to your agency of the results of the on-site review event.

Based on the information gathered, no area of noncompliance was found during the course of the review. Accordingly, no corrective action is required at this time.

During your review, the team used a sampling methodology that included a random selection of child files. If your report includes findings related to evidence that involved sampling, the finding narratives in your report include specific percentages from each sample that were determined by dividing the number of issues found by the total sample size. This methodology, which uses statistically driven random samples, allows the OHS to use information collected through the representative samples to make generalizations regarding your program as a whole.

For example, if, during your review, the reviewer(s) examined a sample of 45 child files, the finding narrative will indicate the percentage of files that were identified with an issue. The percentage will be determined by dividing the number of child files with issues by 45.

Please contact your ACF Regional Office with any questions or concerns you may have about this report.

Distribution of the Head Start Review Report

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

Capt. Robert Bialas, Regional Program Manager
Mrs. Brenda Evans, Policy Council Chairperson
Mrs. Charlene Engle, CEO/Executive Director
Mrs. Martina Roe, Head Start Director

Overview Information

Review Type: *Fiscal/ERSEA*
Organization: *Gateway Community Services Organization, Inc.*
Program Type: *Head Start*
Field Lead: *Ms. Kimberly Spriggs*
Funded Enrollment HS: *409*
Funded Enrollment EHS: *Not Applicable*

Glossary

A glossary of terms has been included to explain the various terms used throughout this report.

Term	Definition
Compliance Measure (CM)	The specific statements that collectively assess the level of program performance for each Key Indicator, focusing on one or more Federal regulations critical to the delivery of quality services and the development of strong management systems.
Strength	A new and/or unique way of reaching the community.
Compliant	No findings. Meets requirements of Compliance Measure.
Concern	An area or areas of performance which need improvement or technical assistance. These items should be discussed with the Regional Office and do not include a timeframe for correction.
Noncompliance	A finding that indicates the agency is out of compliance with Federal requirements (including, but not limited to, the Head Start Act or one or more of the performance standards) in an area or areas of program performance, but does not constitute a deficiency. Noncompliances require a written timeline of correction and possible technical assistance (TA) or guidance from their program specialist, and if not corrected within the specified timeline, can become a deficiency.
Deficiency	<p>An area or areas of performance in which an Early Head Start or Head Start grantee agency is not in compliance with State or Federal requirements (including but not limited to, the Head Start Act or one or more of the regulations) and which involves:</p> <p>(A) A threat to the health, safety, or civil rights of children or staff;</p> <p>(B) A denial to parents of the exercise of their full roles and responsibilities related to program governance;</p> <p>(C) A failure to perform substantially the requirements related to Early Childhood Development and Health Services, Family and Community Partnerships, or Program Design and Management; or</p> <p>(D) The misuse of Head Start grant funds.</p> <p>(ii) The loss of legal status or financial viability, as defined in part 1302 of this title, loss of permits, debarment from receiving Federal grants or contracts or the improper use of Federal funds; or</p> <p>(iii) Any other violation of Federal or State requirements including, but not limited to, the Head Start Act or one or more of the performance standards of this title, and which the grantee has shown an unwillingness or inability to correct within the period specified by the responsible HHS official, of which the responsible HHS official has given the grantee written notice of pursuant to section 1304.61.</p>

Fiscal Integrity

CM#	Compliance Measure	Compliance Level
FIS 1.1	The grantee's financial management systems provide for effective control over and accountability for grant and sub-grant funds, property, and other assets and ensure they are used solely for authorized purposes.	Compliant 75.302(b)(4-5), 75.303(a-e), 75.352(d)(1-3), 75.352(f-g), 75.501(b)
FIS 1.2	The grantee sought and received prior approval in writing for budget changes where prior approval is required and obtained approval for hiring designated key personnel.	Compliant 75.308(b), 75.308(c)(1-3)
FIS 1.3	The grantee has obtained and maintained required insurance coverage for risks and liabilities.	Compliant 1301.11(a-b), 75.317
FIS 2.1	Financial reports and accounting records are timely and complete and contain accurate information pertaining to grant or sub-grant awards, authorizations, obligations, unobligated balances, assets, liabilities, outlays (total expenditures), income, and interest. Reports include: <ul style="list-style-type: none"> • SF-425 (paper-based Federal Financial Report filed with the Regional Office) • SF-425 (web-based Federal Cash Transactions Report filed with Division of Payment Management) • USDA/Child and Adult Care Food Program (CACFP) reports 	Compliant 1304.23(b)(1)(i), 1304.51(h), 75.302(b)(2-3)
FIS 3.1	The grantee implemented procurement procedures that met, at a minimum, all requirements specified in the applicable Federal, State, and local statutes, regulations, and administrative rules for Federal grants, including a written code or standards of conduct governing the performance of its employees engaged in awarding and administering contracts. The grantee can demonstrate that contractual agreements were met.	Compliant 1309.54, 642(c)(1)(E)(iv)(X)(aa), 75, App II (B-D), 75.327(b), 75.327(c)(1-2), 75.327(h-i), 75.328(a)(1-7), 75.328(b), 75.329(a-b), 75.329(f)(1-4), 75.403(a-g), 75.509(a-c)
FIS 4.1	Original time records are prepared and properly signed by the individual employee and approved by a responsible supervisory official, and an appropriate methodology is used to allocate salaries among Head Start and other programs.	Compliant 75.430(h)(1)(i-ii), 75.430(h)(2-3), 75.430(h)(4)(i-v), 75.430(h)(5)(i-ii), 75.430(h)(6), 75.430(h)(7)(i-ii), 75.430(h)(8), 75.430(i)(1)(i-vii), 75.430(i)(1)(viii)(A-C), 75.430(i)(3-4), 75.430(i)(5)(i)(A-C), 75.430(i)(5)(ii-iii), 75.430(i)(6-8)
FIS 4.2	Head Start or Early Head Start grant funds are not used as any part of the monetary compensation (e.g. salary, bonuses, severance) of an individual employed by the grantee who is paid at an annual rate in excess of Executive Level II (\$183,300, effective January 2015).	Compliant 653(b)(1), 653(b)(2)(A-B)
FIS 4.3	Total compensation for personal services, including employee wages and incentive-compensation payments, charged to the grant are allowable and reasonable.	Compliant 75.430(a)(1), 75.430(b-f)
FIS 5.1	The grantee has implemented procedures to determine allowability, allocability, and	Compliant

	reasonableness of costs charged against its Head Start and Early Head Start (EHS) grant awards as required by the applicable cost principles. If the grantee is required to allocate costs among funding sources (including Head Start and EHS awards), the program utilizes a method for allocating costs that reflects the relative degree of benefit for each program receiving the benefit of the allocated cost.	75.309(a), 75.404(a-e), 75.405(a)(1, 3), 75.405(b-c, e)
FIS 5.2	Indirect cost charges are supported by a negotiated Indirect Cost Rate Agreement, are claimed under a valid election to charge a de minimis rate or are included in a written, internally maintained cost allocation plan identifying a reasonable basis for allocating all shared costs of the organization.	Compliant 1301.32(a)(1-2), 1301.32(b)(1-5), 1301.32(f)(1-3), 75.405(a)(2), 75.405(d), 75.414(f)
FIS 5.3	The grantee can demonstrate all contributions of non-Federal share (NFS), including cash and third-party in-kind, are necessary and reasonable for accomplishing program objectives, allowable under applicable cost principles, and allocable if also benefiting another award. Financial records are sufficient and support the verification of adherence to applicable cost principles.	Compliant 75.306(b)(1-5), 75.306(e-g), 75.306(i)(1-3), 75.434(d)
FIS 5.4	During each funding period reviewed, the grantee charged to the award only costs resulting from obligations incurred during the funding period.	Compliant 75.309(a)
FIS 6.1	The grantee has established the allowability of costs for owned or leased facilities and has adequately protected any Federal Interest in facilities through the filing of Notices of Federal Interest, insurance, and maintenance of property records. Compensation for the use of facilities owned by the grantee, a delegate agency, or other related party was through depreciation or use allowance based on the cost of the facility (excluding costs paid by Head Start). The grantee obtained advanced Regional Office permission for any mortgage or loan agreements using collateral property acquired or subject to major renovation using Head Start funds and has ensured that mortgage/loan agreements include the required provisions.	Compliant 1309.10, 1309.20, 1309.21(b), 1309.21(d)(1-2), 1309.21(d)(3)(i-vi), 1309.21(d)(4)(i-iii), 1309.22(a-c), 1309.23(a)(1-2), 1309.23(b), 1309.31(b), 1309.40, 75.436(a-b), 75.436(c)(1-4), 75.436(d)(1-5), 75.436(e), 75.465(a-b), 75.465(c)(1-3), 75.465(c)(4)(i-vii), 75.465(c)(5-6)
FIS 6.2	The grantee has safeguarded equipment purchased using Head Start funds by maintaining complete and accurate equipment records, verifying the accuracy of records by conducting a physical inventory, and following disposition requirements. The grantee obtained advance Regional Office permission for any encumbrance of equipment acquired using Head Start funds. Testing not performed because (a) the total cost of equipment purchased from any Head Start award did not exceed \$50,000 or (b) in the last three years, the grantee did not purchase any piece of equipment with a unit cost of \$25,000 or more.	N/A 75.320(a)(2), 75.320(d)(1-2), 75.320(e)(1-4)

ERSEA

CM#	Compliance Measure	Compliance Level
ERSEA 1.1	When monthly average daily attendance in center-based programs falls below 85 percent (except in the case of illness or well-documented absences), the causes of absenteeism are analyzed, and the program initiates appropriate family support as needed.	Compliant 1305.8(a-b)
ERSEA 2.1	Program staff verified each child's eligibility and included in each file a statement signed by a program employee identifying the child's eligibility category and the	Compliant 1305.4(c-e)

documents examined to determine eligibility.

ERSEA 2.2	<p>The program enrolls children who are categorically eligible (who fall within defined income-eligibility requirements). Defined Eligibility Requirements include:</p> <ul style="list-style-type: none"> • Family income is below the poverty line • Family or child receives public assistance (SSI and TANF) • Family is homeless • Child is a foster child <p>Additional income-eligibility requirements:</p> <ul style="list-style-type: none"> • Ten percent of children enrolled in the program may be over the income threshold • An additional 35 percent of children who are not categorically eligible may be from families whose income is between 100 and 130 percent of poverty 	<p>Compliant 645(a)(1)(B)(iii)(I-II), 645(a)(1)(B)(iii)(II)(aa-bb)</p>
ERSEA 3.1	<p>Actual program enrollment is composed at least 10 percent of children with disabilities.</p>	<p>Compliant 1308.5(c)(1-4), 640(d)(1)</p>
ERSEA 3.2	<p>The program enrolled 100% of its funded enrollment and ensures an active and ranked waiting list is maintained at all times.</p>	<p>Compliant 642(g)</p>

— END OF REPORT —