

Head Start Governing Body and Tribal Council Certification - Text Version

The Head Start Governing Body and Tribal Council Certification module begins with a brief overview and has five sections:

- Section 1: Embracing Head Start
- Section 2: What Is Head Start Program Governance?
- Section 3: Legal Responsibilities
- Section 4: Fiscal Responsibilities
- Section 5: Resources

Overview

0.1

This certification is for governing body and Tribal Council members, agency executive directors, and Head Start directors.

Many different kinds of organizations oversee Head Start programs, including community action agencies, nonprofit organizations, school districts, city or county governments, and tribal governments. The information presented in this Certification applies to all Head Start grantees, regardless of their organizational structure.

0.2

This certification includes five sections.

- **Section 1: Embracing Head Start** – Learn what Head Start is all about, from its history to the valuable programs and services it provides to children and families.
- **Section 2: What Is Head Start Program Governance?** – Dig deeper into how Head Start program governance functions. Here you'll learn about the Head Start Act and its requirements for governance.
- **Section 3: Legal Responsibilities** – Explore the legal responsibilities associated with your role as a governing body or Tribal Council member.
- **Section 4: Fiscal Responsibilities** – Read about the important fiscal responsibilities involved with overseeing a Head Start program.
- **Section 5: Resources** – Find tools and resources that can help you in your Head Start governance role.

After completing all five sections, you will have an opportunity to print a certificate that acknowledges your Head Start Governing Body and Tribal Council Certification. Please note that throughout this certification, the term "governing body" refers to all boards, Tribal Councils, and other bodies that are responsible for overseeing a Head Start program.

Section 1: Embracing Head Start

1.1: New Head Start Award - Organization

We begin with a scene that may be familiar to many of you. The executive director or leader of your organization has some great news to share about Head Start funding. What does the board think of this news? Individual members have different thoughts.

- Member 1: How am I going to get up to speed on this?
- Member 2: Am I going to need to take on more responsibilities?
- Member 3: I've heard great things about Head Start.
- Member 4: I don't know much about Head Start but I'm anxious to learn.

1.2: Introduction to Head Start

Many programs new to Head Start have similar questions and concerns. [Watch the video](#) for a brief introduction to Head Start.

1.3: What Do You Know About Head Start?

As you just saw, Head Start provides tremendous benefits to low-income children and families. To best serve in your role as a governing body member, it's important for you to understand fully what Head Start is. Take a few moments to answer some questions about Head Start to see what you already know and to broaden your knowledge further. Read each section below and answer the corresponding questions.

1: Types of Head Start Grantees

More than a million children are served by Head Start programs each year, including children in every state and territory in the U.S. and in American Indian and Alaska Native communities. What kinds of organizations can run a local Head Start program? Select all that apply.

- a) Community action agencies
- b) Federally recognized tribal governments
- c) Government agencies
- d) Private and public for-profit businesses
- e) Private and public nonprofit organizations
- f) School systems

The correct answer is all of these. Private and public for-profits make up one percent of grantees; government agencies are at seven percent; tribal governments make up nine percent; school systems are 14 percent; community action agencies (CAA) are at 34 percent; and private and public nonprofits make up 35 percent.

2: Head Start Services

Head Start and Early Head Start provide services to pregnant women and children from birth to age 5. What types of services do the programs offer? Select all that apply.

- a) Child development and education
- b) Child health and safety
- c) Family engagement
- d) Nutrition

- e) Opportunities to be involved in political activities
- f) Prenatal health care and screening

The correct answer is, all of these, except not (e). Head Start does not provide opportunities to be involved in political activities. In fact, the Hatch Act restricts the political activity of employees whose employment is financed in whole or in part by a grant award.

3: Administration of Head Start

The Office of Head Start (OHS), which is part of the Administration for Children and Families (ACF) in the U.S. Department of Health and Human Services (HHS), oversees the operation of all Head Start grants. Federal Head Start program specialists are located in Regional Offices around the country to monitor and support local grantees. How many Regional Offices are there? Select one answer.

- a) 5
- b) 8
- c) 12
- d) 15

The correct answer is c) 12. There are 12 Regional Offices across the country. Two of the Offices are located in the Office of Head Start in Washington, DC. The Region 11 Office serves American Indian and Alaska Native programs, wherever they are located, and Region 12 Office supports Head Start Migrant and Seasonal Programs. Do you know the location of your Regional Office and the name of your program specialist? If you don't, your Head Start director can provide you with that information.

4: Children with Disabilities

Head Start has a long history of providing quality services to children with disabilities. What percentage of each program's enrollment must be made available to children with disabilities? Select one answer.

- a) Not less than 5 percent
- b) Not less than 10 percent
- c) Not less than 15 percent
- d) Not less than 20 percent

The correct answer is b) Not less than 10 percent. Not less than 10 percent of the total number of children enrolled by each Head Start grantee and each delegate agency during an enrollment year must be children with disabilities.

1.4: Head Start Timeline

Head Start has a rich history that began in 1965. Select each item on the timeline to learn about some of the many Head Start milestones. Begin with the Core Values, which have guided and inspired Head Start programs for nearly 50 years.

Core Values

- Establish a supportive learning environment
- Recognize that Head Start has roots in many cultures
- Empower families
- Embrace a comprehensive vision of health
- Respect all aspects of an individual's development
- Build a sense of belonging
- Foster relationships with the larger community

- Develop a continuum of care

1965

- Head Start began in 1965 as an eight-week summer demonstration project. It was designed as part of President Lyndon Johnson's War on Poverty.
- Created out of a concern for the well-being of children in low-income families, the program was grounded in research showing that children raised in poverty were less likely to do well in school and more likely to be poor in adulthood.
- Head Start was developed to help break the cycle of poverty by providing the nation's poorest preschool children with comprehensive services to help them prepare for success in school.

1970

- In 1970, The Parent Involvement Guidelines, commonly referred to as 70.2, solidified the important role of parents in Head Start.
- An excerpt from 70.2 reads: "Project Head Start must continue to discover new ways for parents to become deeply involved in decision-making about the program and in the development of activities that they deemed helpful in meeting their particular needs and conditions. ... Every Head Start program is obligated to provide the channels through which such participation and involvement can be provided for and enriched."

Edith Grotberg: "Head Start tried something different then they said, 'Look we want parents to have some say in how the money is spent, how the program is developed, what is happening to the children get them involved in activities.' That was a major, major shift in any program the government had ever supported."

1974

- To help develop a national infrastructure for high-quality early childhood programs, Head Start published its first set of Program Performance Standards, which describe in detail how programs should operate.
- Head Start also instituted a rigorous on-site monitoring process to ensure that programs were meeting these standards.
- OHS expanded its training and technical assistance (T/TA) to help programs reach higher quality and further develop the skills of their staff.
- The Program Performance Standards have been revised and updated since that time.

1970s

- While Head Start has always served diverse communities, the 1970s saw Head Start expand opportunities for children and families with distinct needs.
- New bilingual and bicultural programs were developed, as were unique programs for migrant and seasonal farmworker communities.
- During this time, Head Start also began requiring that at least 10 percent of enrollment slots be reserved for children with disabilities.

1995

- In response to growing medical and psychological research on early brain development, Early Head Start was launched to serve low-income pregnant women and children from birth to age 3.

Joan Lombardi: “It wasn’t however until the 90’s where we began to see much more attention to the very youngest children in the families. In 1995 we finally saw the launching of Early Head Start which has become a really a beacon of hope for low income children and their families from pregnancy to age 3. (Baby cries) We’re finding that when we start early, when we do well implemented programs, when we focus on both children and their families we can get very positive results before children start preschool. “

2007

- Congress reauthorized the Head Start Act with several provisions to strengthen Head Start quality.
- These included higher qualifications and standards for the Head Start teaching workforce, a greater focus on school readiness, and increased monitoring of program quality and fiscal health.
- The law also states that, under certain conditions, an agency shall be required to compete for its next five years of funding.

Today

- Since its start nearly 50 years ago, Head Start has served more than 30 million children across the U.S.
- Visionary at the time of its creation, Head Start remains a leader in the early childhood community.
- As the demographics of our nation have shifted, Head Start has adapted to meet the needs of our changing communities.
- Throughout the decades, however, Head Start has never compromised in its efforts to help America's most vulnerable children.
- By accepting a Head Start grant, your agency is part of a wonderful movement dedicated to improving the lives of low-income families living in your community.

1.5: About the Policy Council

As a member of a Head Start governing body, you are assuming legal and fiscal responsibility for your program and for safeguarding federal funds.

Governing Body Role

Ensures that there is an active and well-functioning Policy Council and works effectively with it.

Policy Council Purpose

Assumes responsibility for Head Start program direction.

Policy Council Members

Parents of currently enrolled Head Start children make up the majority; other members are from the community served and may include parents of formerly enrolled children.

Policy Council Election

Members are elected by parents of currently enrolled Head Start children.

[Watch a video](#) to learn more about Head Start Policy Councils.

1.6: Check your Knowledge

1. Who does Head Start serve? Select all that apply.
 - a) Infants, toddlers, and preschoolers
 - b) Low-income children, pregnant women, and families
 - c) Mothers, fathers, and grandparents
 - d) Rural, urban, and suburban communities
 - e) Children with disabilities
 - f) Migrant and seasonal farmworker families and American Indian and Alaska Native communities
 - g) All of the above

The correct answer is g) All of the above. Head Start is for everyone listed here. Head Start programs serve low-income children from birth to age 5, pregnant women, and their families. Head Start programs can be found in all types of communities and neighborhoods in the 50 United States, as well as in Puerto Rico, the U.S. Virgin Islands, and other U.S. territories.

1.7: Check your Knowledge

2. Who elects members to a Head Start program's Policy Council? Select one answer.
 - a) Community members
 - b) Governing body
 - c) Management team
 - d) Parents of currently enrolled children
 - e) Teachers

The correct answer is d) Parents of currently enrolled children. Policy Council members are elected by parents of currently enrolled children to represent them in program decision-making.

1.8: Elements of Effective Governance

Your role as a Head Start governing body member carries with it great responsibility that needs to be taken seriously. Effective Head Start governance requires three key elements:

- Effective and appropriate governance **structures**
- **Processes** to fulfill legal and fiscal responsibilities
- Collaborative and cooperative **relationships**

1.9: Advice from a Head Start Director

Overseeing a Head Start program is not always easy, but the rewards to your community are worth the hard work. As you become more familiar with your organization's Head Start program and your community's needs, you will become a better governing body member.

[Watch this video](#) to learn one Head Start director's advice for governance.

1.8: Check Your Knowledge

What are three key elements of effective Head Start governance? Select one answer:

- a) Structures, processes, and relationships
- b) Funding, relationships, and management team
- c) Enrollment, governing body, and regulations

The correct answer is a) Structures, processes, and relationships.

1.9: Summary

In this section, you learned about the significance and history of Head Start. You also learned what a Policy Council is and about the three elements of effective governance:

- Effective and appropriate governance **structures**
- **Processes** to fulfill legal and fiscal responsibilities
- Collaborative and cooperative **relationships**

For more information, be sure to look at the resources available in Section 5 of this certification.

In the next section, you'll learn more about the specifics of Head Start program governance.

Section 2: What Is Head Start Program Governance?

2.1: New Head Start Award – Tribal Council

What does it mean to be part of a Head Start governing body or Tribal Council? A Tribal Council is new to Head Start and its members have lots of questions.

- Member 1: Do we have all the right people to oversee a Head Start program?
- Member 2: What exactly will I need to do as a member of this team?
- Member 3: Are there any government rules or regulations we should know about?

2.2: The Head Start Act

To really understand Head Start program governance, you need to know about the [Head Start Act](#) and its key components. Head Start owes its existence to a public law passed by Congress and signed by the president. It needs to be reauthorized and re-funded every several years. Congress most recently reauthorized the program with the Improving Head Start for School Readiness Act of 2007, also known as the Head Start Act. Today, Head Start programs nationwide must adhere to the specifications of this Act.

The Head Start Act describes and legislates how Head Start programs should be governed. The Act specifies the types of people who should serve on a governing body and their legal and fiscal responsibilities. It also describes the relationship of the governing body to the Head Start Policy Council and the management team.

Section 642 details the powers and functions of the governing body:

- Membership
- Legal and fiscal responsibilities
- Relationship to Policy Council and management team

We'll explore various sections of the Head Start Act throughout this certification. Access the full text of the [Head Start Act](#).

2.3: Head Start Program Performance Standards

The [Head Start Program Performance Standards](#) are another resource you'll need to access in order to fully understand Head Start program governance. These standards describe in detail how Head Start programs should be managed and run.

Your Head Start director can help you learn more about these federal regulations and their impact on your program.

Please note that the current Head Start Program Performance Standards were developed based on an earlier version of the Head Start Act, and a new set of standards has not yet become available. For this reason, when you face decisions where the Head Start Act and the Program Performance Standards appear to differ, you should seek guidance from your federal Head Start staff.

2.4: Check Your Knowledge

The _____ authorizes and funds Head Start. Select one:

- U.S. Congress and president
- State legislatures
- Department of Education

The correct answer is a) U.S. Congress and president.

2.5: Governance Entities

Head Start program governance includes three entities:

- the governing body or Tribal Council of the grantee organization,
- the management staff, and
- the Policy Council

Each entity has specific roles and responsibilities. Some responsibilities flow from one entity to another; in other cases, responsibilities overlap and the different governance entities work hand-in-hand.

What is each entity's role?

- The governing body or Tribal Council assumes legal and fiscal responsibility for the Head Start program and for safeguarding federal funds.
- The Policy Council, which you learned a bit about in Section 1, assumes responsibility for the Head Start program direction. The Policy Council includes parents of currently enrolled Head Start students and members of the community.
- And the management staff assumes operating responsibility for the day-to-day functions of Head Start.

Each role carries specific responsibilities. [Download the Governance Entities Diagram](#) [PDF, 78KB]

2.6: Where Do You Stand?

As you just saw, the governing body role includes many responsibilities. Which of these responsibilities represent new tasks for your governing body now that you have undertaken Head Start?

Select each item that represents a new responsibility for your governing body.

Adopt practices to ensure active, independent, and informed governance:

- Governing body bylaws
- Procedures for accessing and collecting information
- Written standards of conduct, including conflicts of interest and complaints
- Procedures for selecting Policy Council members
- Advisory committees

Review and Approve:

- Major policies and procedures, including Self-Assessment, financial audit, and personnel policies
- Progress on implementing the Head Start grant, including corrective actions
- Major expenditures
- Operating budget

- Selection of auditor
- Actions to correct audit findings

Select:

- Delegate agencies and the service areas for such agencies

Establish:

- Procedures and criteria for recruitment, selection, and enrollment

Review:

- All funding applications and amendments
- Results and follow-up activities from federal monitoring

Receive and Use:

- Annual, monthly, and periodic reports generated by management

Take Action:

- Work with the Policy Council to:
 - hire and terminate Head Start director and other lead staff
 - establish impasse procedures

Provide leadership and strategic direction:

- Work with the Policy Council and management on Self-Assessment and on developing, planning, and evaluating the Head Start program

[Download a PDF version of this list](#) [PDF, 191KB].

2.7: Flow of Reports

Remember that in Section 1 you learned about the three elements of effective Head Start governance: structures, processes, and relationships. In this section so far, you have learned how Head Start governance is structured.

Now let's move onto processes. To fulfill your legal and fiscal responsibilities, the governing body must put in place effective processes for overseeing your Head Start program.

One critical process is the proper flow of reports. The governing body's responsibilities include receiving and using monthly, periodic, and annual reports. These reports are generated by the management staff and then submitted to the Policy Council, which uses the reports and may make recommendations. Finally, the reports, along with the Policy Council's recommendations, go to the governing body for review.

Occasionally, there will be circumstances when the governing body will want additional information to fully understand the Policy Council's recommendations. Your organization should have a process in place for when these circumstances arise. If your program follows these governance processes, you can feel confident that good decisions will be made.

Required Head Start Reports

- HHS secretary communications
- Financial statements
- Program information summaries
- Enrollment reports
- U.S. Department of Agriculture (USDA) meal reports
- Financial audit
- Self-assessment
- Community assessment
- Annual Program Information Report (PIR)

2.8: Check Your Knowledge

Select which entity is responsible for each key responsibility below.

1. Assumes Operating Responsibility for Head Start Day-to-Day Functions
 - a) Governing body/Tribal Council
 - b) Management
 - c) Policy Council
2. Assumes Legal and Fiscal Responsibility for Head Start and the Safeguarding of Federal Funds
 - a) Governing body/Tribal Council
 - b) Management
 - c) Policy Council
3. Assumes Responsibility for Head Start Program Direction
 - a) Governing body/Tribal Council
 - b) Management
 - c) Policy Council

The correct answers are: 1 = b, 2 = a, 3 = c

Management: Assumes Operating Responsibility for Head Start Day-to-Day Functions. Governing Body: Assumes Legal and Fiscal Responsibility for Head Start and the Safeguarding of Federal Funds. Policy Council: Assumes Responsibility for Head Start Program Direction.

2.9: Building Relationships

The third element of strong governance involves collaborative and cooperative relationships. A Head Start program can only serve children and families well if those involved in program governance work well together.

As a governing body or Tribal Council member, you play a critical role in developing and fostering collaborative relationships with the Policy Council and management staff, as well as with community partners.

Developing these relationships requires many things, including trust, respect, commitment, and dedication. [Watch this video](#) when posted to learn how one former Head Start governing body member built relationships with others involved in program governance.

2.10: Panel Discussion

What's it really like being part of a Head Start governing body or Tribal Council? See answers to questions from a panel of experienced governing body members.

- **Question 1: How is being a member of a Head Start governing body different from being on the board for other organizations?**

Answer: Working with the Policy Council is something that is very unique to being on a Head Start governing body. While many organizations try to give a voice to the community they serve, Head Start has developed a whole structure for ensuring that families that receive Head Start services are involved with decisions. The Policy Council members give us great recommendations and ideas for program improvement. I have learned a lot about myself through this collaborative governance model.

- **Question 2: What has been the most rewarding part?**

Answer: What I love about serving on a Head Start governing body is knowing I am helping to build a better future for low-income children and families in my community. I love helping the program think about ways to work with our local school department so that we can ensure that our Head Start children are ready for school and make a smooth transition. I enjoy helping the community see that Head Start services are critical to children's school success in kindergarten and beyond.

- **Question 3: What advice can you give me about being part of a Head Start governing body or Tribal Council?**

Answer: My advice would be to learn as much as you can about your Head Start program and to build trusting and honest relationships with your fellow governing body members, Policy Council, and management team. All Head Start programs face hard decisions at times, whether they are budget cuts, enrollment issues, or staffing problems. If you build a cooperative and trusting governance team, you will make wise and prudent decisions, knowing you all have in mind the best interest of low-income children and families in your community.

- **Question 4: How have the responsibilities of being a governing body member changed over the years?**

Answer: Today's Head Start programs are run like a big business. As a governing body member, I understand the commitment I need to make to be an effective member of this team. The accountability requirements and emphasis on children's school readiness make our jobs a bit busier, but they also result in a stronger, better managed Head Start program. As a governing body member, I know the buck stops with me, and because of that, I take my governance role very seriously.

2.11: Check Your Knowledge

What is the proper order for the flow of reports in Head Start program governance? Select one answer.

- a) Management > Governing body > Policy Council
- b) Governing body > Policy Council > Management
- c) Management > Policy Council > Governing body
- d) Governing body > Management > Policy Council

The correct answer is c) Management > Policy Council > Governing body. All reports in Head Start should be generated by the management staff and then submitted to the Policy Council, which uses the reports and may make recommendations. Finally, the reports, along with the Policy Council's recommendations, go to the governing body for review.

2.12: Summary

This section provided an overview of how Head Start program governance works. You learned about The Head Start Act, the three entities of Head Start governance, and your responsibilities as a member of a Head Start governing body or Tribal Council.

To extend your learning, you may want to check out the resources available in Section 5.

In the next section, you'll learn about the specific legal responsibilities associated with your role as a governing body or Tribal Council member.

Section 3: Legal Responsibilities

3.1: New Head Start Award – School District

What are the legal responsibilities of the governing body of an organization operating a Head Start program?

As you learned in Section 1, many different kinds of organizations operate Head Start programs. You may be part of a single-purpose nonprofit organization, or you may serve on the board of a community action agency that offers multiple social service programs. Your organization may be a school district, a university, or a hospital that also manages a Head Start program. Or, you may be part of a Tribal Council that oversees an American Indian or Alaska Native (AIAN) Head Start program. Regardless of your organization's structure, all Head Start governing bodies share a common set of legal responsibilities. This section will explore what they are.

An elected school district board was recently funded to run a Head Start program. The board members have questions about their legal responsibilities.

- Member 1: How do we make sure we're complying with what's required in our Head Start grant?
- Member 2: Do we need to have a lawyer on this board?
- Member 3: Do we have additional legal responsibilities now that we've taken on a Head Start program?

Remember, the term "governing body" refers to all boards, Tribal Councils, or other groups that are responsible for overseeing a Head Start program.

3.2: Head Start Governance

In Section 2, you learned about the three Head Start Governance entities and their core responsibilities.

The governing body assumes legal and fiscal responsibility for the Head Start program and for safeguarding federal funds. In this section, we will be focusing on the governing body and its legal responsibilities for the Head Start program.

The Head Start Act requires each governing body to include a licensed attorney. If you don't already have one, finding an attorney to serve on your board may be one of your first steps. You should know that the Act does allow exceptions to this requirement for elected or appointed government boards, like school committees and Tribal Councils. If you cannot recruit a lawyer to your governing body, discuss this issue with your Regional Office. You may be able to hire outside counsel to advise you in legal matters related to your Head Start program.

3.3: Make Positive News!

Across the country, we see all kinds of press about Head Start programs. As a member of the governing body, you play an important role in how your program is perceived in your community. Take a look at these newspaper headlines.

- Head Start and community college open new program to serve students with young children
- Head Start awarded Early Head Start funds to serve infants and toddlers
- Head Start director accused of hiring family members

- Head Start program honors volunteers at annual appreciation dinner
- Local family alleges Head Start program denied services to their disabled child

It is critical that you learn about your legal responsibilities so you can be part of a Head Start program that makes positive newspaper headlines.

3.4: The Head Start Act

The Head Start Act is the federal law that authorizes and funds Head Start programs nationwide. The Act details specific governing body responsibilities that governing body members must understand. This excerpt from the Act lists the first three responsibilities.

Governing Body Responsibilities: [\[Head Start Act Sec. 642\(c\)\(1\)\(E\)\(i-iii\)\]](#)

(E) RESPONSIBILITIES – 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 the Head Start programs involved;
- (iii) be responsible for ensuring compliance with Federal laws (including regulations) and applicable State, tribal, and local laws

While the Head Start Act legislates how programs should operate, programs also are affected by other laws and regulations that address such issues as employment, health and safety, discrimination, and child care licensing. As a governing body member, you should be aware of these laws.

3.5: Legal Responsibilities

The legal responsibilities of governing bodies outlined in the Head Start Act align with the universal duties of care, loyalty, and obedience. They can be found in U.S. case law and legally apply to boards and board members of nonprofit and for-profit entities.

Whether you serve on the governing body of a community action agency, nonprofit organization, tribal government, school district, or local municipality, these universal principles of good governance can be used to guide your work.

Universal Duties of Boards and Board Members

1. **Duty of Care:** Exercise good business judgment and the care and prudence an ordinary person would exercise under similar circumstances.
 - What this means for you:
 - Attend meetings
 - Come prepared to meetings
 - Ask good questions in order to make informed and sound decisions.
2. **Duty of Loyalty:** Carry out duties in good faith and in the best interest of the organization.
 - What this means for you:

- Put the organization's interests ahead of personal and professional interests
- Manage conflicts of interest
- Maintain confidentiality of information

3. Duty of Obedience: Ensure that the organization stays true to its mission and adheres to the law.

- What this means for you:
 - Ensure that programs, services, and activities are in keeping with the mission
 - Monitor compliance with laws and regulations

3.6: Check Your Knowledge

Which of the following are the three universal duties of governing body members? Select one.

- a) Attendance, loyalty, and confidentiality
- b) Care, loyalty, and obedience
- c) Loyalty, oversight, and accountability
- d) Obedience, mission, and oversight

The correct answer is b) Care, loyalty, and obedience.

3.7: Three Critical Elements

Let's return to the specific legal responsibilities of Head Start governing body members by taking a close look at three critical things:

- Governing regulations and documents
- Head Start oversight responsibilities
- Standards of Conduct, including conflict of interest

3.8: Governing Regulations and Documents

In applying for and accepting a Head Start grant, your organization and your governing body have agreed to abide by all of the federal laws, regulations, and policies that govern Head Start programs. You learned in Section 2 about the Head Start Act and the Head Start Program Performance Standards, but there are many other federal laws, regulations, and policies that have an impact on how you run your program.

In addition to the federal regulations and documents that pertain to Head Start (e.g. the Head Start Act and Program Performance Standards), there are other rules and regulations that affect your program. They come from many different sources and vary depending on what type of organization you are. As a governing body member, you should be aware of the full range of laws, regulations, and documents at the tribal, state, local, and organizational level that impact your organization and Head Start program.

Head Start and Other Federal Regulations

Head Start Act of 2007

The Improving Head Start for School Readiness Act of 2007, more commonly referred to as the Head Start Act, is the most recent federal legislation authorizing and funding the Head Start program.

Head Start Program Performance Standards

These federal regulations describe in detail how Head Start programs should be managed and run. The Standards are part of the Code of Federal Regulations (CFR), which is a systematic collection of rules

published in the *Federal Register*. 45 CFR, Parts 1301 through 1311, contains significant implications for the operation of Head Start programs.

Information Memorandums (IMs)

Communications from OHS that provide policy information to Head Start and Early Head Start grantees and delegate agencies.

Program Instructions (PIs)

Communications from OHS that address a specific requirement Head Start grantees and delegate agencies must implement in their programs.

Policy Clarification

A communication from OHS that assists governing body members in better understanding requirements and making decisions pertaining to their Head Start program.

Other federal requirements that apply to your organizational structure

These include laws and regulations that impact hiring, employee relations and protections, tax reporting, civil rights, and more.

As a governing body member, you are not expected to commit this information to memory. When resolving issues related to your Head Start program, however, you will need to have access to someone who can answer the following question on your behalf: "Before we decide on this issue, is there a Head Start regulation that applies to this situation and that we need to know about?"

Please spend some time reviewing the federal regulations and documents listed here. You can access them on the ECLKC: <http://eclkc.ohs.acf.hhs.gov/hslc/standards>.

Tribal Regulations

Federally recognized Tribes have the right to self-government. Tribes typically adopt a form of government that best suits their own practical, cultural, and religious needs. Political leaders of traditional tribal governments are often chosen by clans or families, or according to religious laws. Consensus often governs the selection process.

Some tribal governments operate under written or unwritten constitutions. Others function under articles of association or other bodies of law. Still others have found a way to combine their traditional systems of government with a modern governmental framework.

If you serve on a Tribal Council overseeing a Head Start program, your Tribe's constitution, resolutions, bylaws, and other relevant governing documents, regulations, or legislation may impact your program. Your executive director and legal counsel should guide you in determining which tribal regulations and governing documents affect Head Start operations.

State Regulations

Every state has laws and regulations that affect the businesses, organizations, and government agencies within them. Each state is unique, and these laws do vary. Shown here are just a few examples of the types of state regulations and documents that may affect the operations of your Head Start program:

- **Nonprofit Corporations Act, State Attorneys General**

- Nearly all states have some form of registration, fundraising disclosure, and annual reporting requirements for nonprofit organizations. These requirements fall under the purview of the state attorney general's office, which often has a charities division.
- **State Education Policies**
 - State departments of education are responsible for providing information, resources, and technical assistance on education matters to schools and residents within each state. They also develop regulations and policies that affect education services.
- **Open Meeting Laws**
 - Open meeting laws, also called "sunshine laws," require certain proceedings of government agencies, elected bodies, and entities that receive government funding to be open or available to the public. These laws vary from state to state.
- **Other state requirements that apply to your organizational structure**

It is especially important that you are aware of your state's agency, laws, and policies that oversee child care programs. Other state regulations may affect your program's hiring, employee compensation and protections, tax reporting, staff licensing and credentialing, food safety, facilities management, and more. Your executive director should know the state laws that affect your operations.

Local Regulations

Local ordinances can apply to Head Start programs. They may regulate different aspects of your operations, such as the food your program serves, staff licensing and credentialing, facilities maintenance, transportation, and much more. Your executive director should be familiar with and understand the local laws that affect your operations.

Organizational Regulations

Organizations also have internal documents that govern how they conduct their business. These include:

- **Articles of Incorporation, Charter, or Constitution**

The legal organizing document that creates a corporation. Both for-profit and nonprofit corporations have articles of incorporation that must be filed with the state.
- **State/Municipal Charter or Constitution**

Government agencies often are established through legislation. Their organizing document may be called a charter or constitution.
- **Bylaws**

The rules adopted by an organization to guide its governing body and regulate its governing body members.
- **Standards of Conduct**

The principles, values, standards, and rules of behavior that guide the processes, structures, and decision-making in an organization.
- **Policies and Procedures**

Operating guidelines that establish parameters for governing body members, professional staff, and volunteers for what gets done and how it gets done.

Once again, these are just a few examples of the types of organizational documents that may affect your Head Start program. Your executive director should know where to locate all of these documents,

standards, and policies, and should share them with governing body members. Keep in mind that as a new Head Start grantee, you may have to modify some of your organizational documents, such as your bylaws, to ensure they comply with the Head Start Act and Head Start Program Performance Standards.

3.9: Check Your Knowledge

For each definition listed, select the correct federal law, regulation, or document.

1. Standards that describe in detail how Head Start programs should be managed and run
 - a) Improving Head Start for School Readiness Act of 2007
 - b) Head Start Program Performance Standards
 - c) Information Memorandum
2. Communication from OHS that provides policy information to Head Start and Early Head Start grantees and delegate agencies
 - a) Improving Head Start for School Readiness Act of 2007
 - b) Head Start Program Performance Standards
 - c) Information Memorandum
3. The most recent federal legislation authorizing and funding the Head Start program
 - a) Improving Head Start for School Readiness Act of 2007
 - b) Head Start Program Performance Standards
 - c) Information Memorandum

The correct responses are: 1 = b), 2 = c), 3 = a).

3.10: Check Your Knowledge

Select True or False for each statement.

- A. When resolving issues related to a Head Start program, governing body members need to have access to someone who can answer the following question: "Before we decide on this issue, is there a Head Start regulation that applies to this situation that we need to know about?"
 - True
 - False
- B. If your organization's current bylaws are in conflict with Head Start laws and regulations, it is okay for you to continue to follow your current bylaws.
 - True
 - False
- C. Federal documents that govern Head Start programs include the Head Start Act of 2007, Head Start Program Performance Standards, IMs, PIs, and Policy Clarifications.
 - True
 - False

The correct answers are: A = True, B = False, C = True.

3.11: Overseeing Your Head Start Program

One of the governing body's key legal responsibilities is to oversee program performance. Head Start has systems in place to help you do this, including:

- Ongoing monitoring
- Self-Assessment
- Federal monitoring review

These systems will provide you with the information you need to measure compliance with laws and regulations and to assess progress in achieving program goals and school readiness goals.

Ongoing Monitoring

Every Head Start program is required to have an internal and comprehensive ongoing monitoring system. Program managers and leadership must ensure that data is collected and analyzed on a regular basis to determine if services and systems are being implemented properly and if adequate progress is being made toward goals. When ongoing monitoring reports reveal an emerging concern, the Head Start program must initiate a timely course correction to get the program back on track.

As a governing body member, you will receive from management regular summaries of the program's ongoing monitoring activity. This will help you oversee the Head Start program.

Self-Assessment

At least once a year, Head Start programs must engage in a formal Self-Assessment. The Head Start Act requires that every grantee and delegate agency conduct and submit to OHS a comprehensive Self-Assessment of its effectiveness at least annually. As a governing body member, you may be asked to participate in this process, along with the Policy Council, management team, program staff, parents, and community members. You also will review and approve the final Self-Assessment.

The Self-Assessment team looks at the program's ongoing monitoring data in the aggregate and over time. Team members try to identify overarching patterns and trends in the data, and they probe into systems to determine program strengths and identify issues that may need attention. Together, ongoing monitoring and Self-Assessment provide critical information about how well your program complies with the Head Start Act and regulations and how effectively it meets its program goals and school readiness goals.

Find tips and information regarding [Self-Assessment](#) on the ECLKC.

Federal Monitoring Review

OHS conducts comprehensive monitoring reviews of each program. The reviews measure your organization's performance and compliance with the Head Start Act, Program Performance Standards, and federal fiscal regulations. If you are a new grantee, your first monitoring review will take place after your first year of operation to ensure that your program gets off to a good start. All grantees will have an on-site monitoring review in the third year of the five-year grant cycle. During the review, a monitoring team from OHS will visit your program. Among other activities, team members will interview governing body members as well as program staff and others.

Every program receives a summary report of the monitoring review, which should be shared with the governing body. The summary will include a list of any findings that must be corrected. The governing

body is responsible for making sure compliance issues uncovered by the review are resolved in a timely manner. Governing body members should ensure that the right people are involved with taking corrective actions and that processes are put in place to avoid repeat findings. If you don't do this, your program's continued funding may be placed in jeopardy, and you may be required to re-compete for future Head Start grants.

Explore the latest [OHS Monitoring Protocol and related resources](#).

3.12: Designation Renewal System

To strengthen the accountability of Head Start grantees, the Head Start Act of 2007 established that all Head Start grants would be awarded for a five year period and that only grantees delivering high-quality services would be given additional grants without having to compete for them. OHS was charged with developing a system for determining which grantees would and would not have to re-compete for new five year grants. It is known as the [Designation Renewal System \(DRS\)](#).

In 2011, OHS issued [Part 1307](#) of the Head Start Program Performance Standards. It clarifies seven conditions under which a Head Start grantee would be required to re-compete for funds. Any Head Start grantee that meets one or more of these conditions is not considered to be providing high-quality services and must compete for future funding. The seven conditions are:

1. One or more deficiencies are identified in the grantee's federal monitoring review
2. Grantee has not established or used goals for improving children's school readiness
3. Grantee receives a low score on one or more domains of the [Classroom Assessment Scoring System \(CLASS™\)](#) assessment tool
4. State or local licensing agency revokes the grantee's license to operate
5. Federal government suspends the grantee's Head Start grant
6. Grantee is debarred by any federal or state agency or disqualified from the Child Adult Care Food Program (CACFP)
7. Based on an audit or investigation, the federal government determines that the grantee is at risk of ceasing to be a "going concern"

As a governing body member, you should understand these conditions and provide the necessary oversight to ensure that your program does not meet one or more of them. This will allow your organization to continue offering essential education, health, nutrition, family engagement, and other Head Start services to low-income children and their families in your community.

3.13: Check Your Knowledge

1. What are the responsibilities of the governing body during the federal monitoring review? Select all that apply.
 - a) Participate in interviews and share information on governing body activities
 - b) Make sure that all of the governing body members memorize all the right answers
 - c) Review the monitoring summary report
 - d) Oversee any corrective action that needs to take place as a result of the monitoring review

The correct answers are: a) Participate in interviews and share information on governing body activities; c) Review the monitoring summary report; and d) Oversee any corrective action that needs to take place as a result of the monitoring review.

2. Which two internal Head Start systems provide information to the help the governing body oversee its program's ability to implement federal regulations and achieve program goals and school readiness goals? Select the two best choices.
- a) Ongoing monitoring
 - b) Communication
 - c) Supervision
 - d) Self-assessment

The correct answers are: a) Ongoing monitoring and d) Self-Assessment.

3.14: Standards of Conduct

So far, we have outlined the legal responsibilities of the governing body, examined governing regulations and documents that apply to Head Start programs, and reviewed the different ways that governing body and Tribal Council members provide oversight to Head Start programs.

Now, we want to delve deeply into one more very important legal matter—standards of conduct. The Head Start Act requires every Head Start governing body to create, adopt, and update written standards of conduct. At a minimum, these standards of conduct must include policies and procedures for disclosing, addressing, and resolving conflicts of interest and complaints.

Standards of Conduct [HS Act Sec. 642(c)(1)(E)(iv)(X)]

(E) RESPONSIBILITIES – The governing body shall –

(iv) be responsible for other activities, including –

(X) establishing, adopting, and periodically updating written standards of conduct that establish standards and formal procedures for disclosing, addressing, and resolving –

(aa) any conflict of interest, and any appearance of a conflict of interest, by members of the governing body, officers and employees of the Head Start agency, and consultants and agents who provide services or furnish goods to the Head Start agency; and

(bb) complaints, including investigations, when appropriate.

Other laws and regulations that apply to your organization may require additional standards of conduct. Turn to your executive director for further guidance.

So, what are standards of conduct?

Standards of conduct are formal organizational documents that define expectations for people's behavior. They also establish policies and procedures for reporting and resolving violations of the standards. Most likely, your organization already has a number of policies that are considered part of your standards of conduct, such as your grievance procedures and confidentiality policy.

Does your organization currently have standards of conduct? Are they in writing? If so, are they up to date? Have they been reviewed to make sure they comply with requirements of the Head Start Act? Once you are sure your standards of conduct comply with the Act and other federal regulations, refer to them whenever potential issues arise. Everyone in your organization should adhere to these standards, and they should be applied consistently. Make sure they are up to date, well organized, and easily

accessible. Members of the governing body should receive a copy of these standards. In addition, the governing body or one of its committees should periodically review the standards and revise them as needed.

3.15: Conflict of Interest 1

You learned previously that your organization's standards of conduct should include procedures for disclosing, addressing, and resolving conflicts of interest. The Head Start Act clearly addresses how conflicts of interest relate to governing body members.

Review the excerpt from the Head Start Act along with a practical example for each item.

Standards of Conduct [HS Act Sec. 642(c)(1)(C)]

(C) CONFLICT OF INTEREST – Members of the governing body shall –

- (i) **not have a financial conflict of interest** with the Head Start agency (including any delegate agency);
 - Example: The executive director of a delegate agency cannot serve as a member of the governing body of the Head Start agency.
- (ii) **not receive compensation** for serving on the governing body or for providing services to the Head Start agency;
 - Example: A governing body member owns a local landscaping and snow plowing business. Her company cannot be paid for providing services to the Head Start agency.
- (iii) **not be employed**, nor shall members of their immediate family be employed, by the Head Start agency (including any delegate agency); and
 - Example: The son of a governing body member just graduated with a master's degree in early childhood education. The Head Start agency cannot hire him as an instructor.
- (iv) **operate as an entity independent** of staff employed by the Head Start agency.
 - Example: The Head Start director has asked the governing body to approve a new lease. The governing body, acting as an independent entity, should "trust but verify" the terms of the agreement by reviewing it or having it reviewed by a legal professional.

Exceptions to these rules may exist for individuals who serve on a governing body as a result of a public election or political appointment. Your executive director or Head Start director can help clarify this.

3.16: Conflict of Interest 2

Conflicts of interest raise governance, tax, and regulatory issues for organizations. A conflict of interest policy is one way to make sure that governing body members are independent of the organization and Head Start program. This independence is especially important since governing body members oversee federal funds. But managing conflicts of interest goes beyond the Head Start regulations. Remember, the universal duty of loyalty requires governing body members to put the organization's interests first and to set aside their own personal and professional interests.

As you learned, your agency must have a policy for resolving and addressing potential conflicts of interest. The policy should:

- Define what is and what is not considered a conflict of interest
- Establish a process for disclosing conflicts of interest
- Determine procedures for handling discussions and votes about conflicts of interest

In some situations, you may have to review regulations beyond the Head Start Act before making a conflict of interest determination. When faced with a conflict or a potential conflict, governing body members can work collaboratively with their legal expert as well as Head Start management to go through the process for making a decision.

The governing body also should pay careful attention to the possibility or appearance of a conflict of interest. While a particular transaction or situation may not technically be a conflict under the Head Start Act or your agency's policy, the governing body must consider how the community would perceive the situation.

Examples:

- The niece of a governing body member won a bid to provide information technology services to the agency at below-market rates.
- The cousin of a governing body member is a mental health professional who works part-time for the Head Start program.
- A governing body member serves on the board of another nonprofit organization that leases space to the agency.
- The spouse of a governing body member serves on the board of a delegate agency.

3.17: Conflict of Interest Best Practices

- Refer to the Head Start Act.
- Refer to your program's conflict of interest policy.
- Sign an annual disclosure statement.
- Assign responsibility for reviewing, managing, and addressing conflicts to a committee or governing body officer.
- Ensure that conflicted individuals recuse themselves from voting and, ideally, from the discussion about their conflict.
- Document their abstention in the minutes.
- Determine which conflicts can be managed and which are not allowed.

3.18 Resolving Conflicts of Interest

Now that you're familiar with what constitutes a conflict of interest and the policies and procedures for resolving them, let's take a look at a few situations raised in a governing body meeting. Read each scenario and answer the question.

Scenario 1: Governing Body Member A

"I heard that Mimi was just hired as a classroom instructor by one of our delegate agencies. She is married to Dan, one of our best governing body members. What should we do?"

Question: Is this a conflict of interest according to the Head Start Act?

- a) Yes
- b) No

Answer: a) Yes. The Head Start Act prohibits programs from employing governing body members and their immediate family members. An immediate family member is someone who is one generation up or down (by birth, marriage, or adoption). This includes a spouse, children, parents, and siblings. In this scenario, since the new teacher, Mimi, is married to a governing body member, Dan, a conflict does exist and one of them would have to step down from their position.

Scenario 2: Governing Body Member B

"My son serves on the Policy Council. Is this going to be an issue?"

Question: What steps should the governing body take to determine if this is a conflict of interest?

Select all that apply.

- a) Consult the Head Start Act. If it is determined to be a conflict of interest, take immediate action to resolve this conflict.
- b) Consult the program's conflict of interest policy.
- c) Do nothing, as this is not a conflict of interest according to the Head Start Act.

Answer: a) and b). Remember, your first step in addressing conflicts should be to consult the Head Start Act. In this case, the Act does not explicitly prohibit immediate family members from serving on the Policy Council and the governing body. However, your program's conflict of interest policy may have rules regarding the relationships between Policy Council and governing body members.

Just because the Act allows something, this doesn't mean your organization does. So, you should always check the Head Start Act and your organization's conflict of interest policy before making a decision about a conflict of interest.

Scenario 3: Governing Body Member C

"I want to nominate Carlos to the governing body. Can we do that if he is vice president of community development at the bank where we've had an account for the last 20 years?"

Question: What steps should the governing body take to determine if this is a conflict of interest?

Select all that apply.

- a) Consult the Head Start Act. If it is determined to be a conflict of interest, , take immediate action to resolve this conflict.
- b) Consult the program's conflict of interest policy.
- c) Do nothing, as this is not a conflict of interest according to the Head Start Act.

Answer: a) and b). It is not immediately clear whether the Head Start Act prohibits this situation. To help you determine whether this is a conflict of interest, closely review the Act and consult your organization's conflict of interest policy. Then, you should have a board discussion about the matter.

To protect your Head Start program's reputation, you should think carefully and thoroughly about how to proceed. This is where good policies and procedures will guide you to make the right decision. Careful vetting and full disclosure is important.

3.19 Check Your Knowledge

Which of the following are included in an effective conflict of interest policy? Select all that apply.

- a) Definition of what constitutes a conflict of interest
- b) Requirement that all governing body, Policy Council, and management staff members sign an annual statement disclosing any conflicts they may have
- c) Process for excluding someone from voting on an issue in which they are or may be conflicted
- d) Requirement that all conflict of interest votes be documented in meeting minutes

The correct answer is: a, b, c, and d. An effective conflict of interest policy includes all of these elements.

3.20: Summary

In this section, you learned about the governing body's legal responsibilities for Head Start. We looked at the responsibilities listed in the Head Start Act and discussed the universal duties of governing bodies. We reviewed some of the laws, regulations, and documents that govern Head Start programs. We explored how Head Start monitoring systems help to ensure appropriate program oversight and discussed the governing body role in reviewing and evaluating your program's progress and success.

Lastly, we looked at the governing body's responsibility for establishing and following standards of conduct, including those that address conflicts of interest. By developing, reviewing, and following such policies and procedures, the governing body protects the organization's reputation and upholds the integrity of Head Start.

While this section provides an introduction to your legal responsibilities, Head Start programs—like any corporate entity—come with a complex set of legal issues that go beyond the Head Start Act and good governance. Fortunately, you should have a licensed attorney on your governing body or available to you as a consultant. He or she can lead you in understanding and addressing legal concerns as they arise. In addition, you may consider investing some of your program's T/TA dollars in hiring a trainer to further work with your governing body on these issues.

For more information and guidance on your legal responsibilities, please review the resources available in Section 5 of this certification.

Section 4: Fiscal Responsibilities

4.1: New Head Start Award – Nonprofit Organization

What are the fiscal responsibilities of the governing body for a Head Start program?

As you know, many different kinds of organizations can run Head Start programs. The fiscal responsibilities outlined in this section apply to the governing bodies of all Head Start grantees, regardless of how they are organized or whether they are nonprofit, for-profit, or public agencies.

A nonprofit organization has received its first Head Start grant, and board members have many questions about what they need to do to manage federal funds and ensure proper fiscal oversight.

- Member 1: What kind of financial shape are we in?
- Member 2: Managing federal funds is a major responsibility. How do we learn what we need to do?
- Member 3: Do we need to have an accountant on our board?

4.2: Head Start Governance

You learned in Section 2 about the three Head Start governance entities and their core responsibilities. In this section, we will be focusing on the governing body and its fiscal responsibilities for the Head Start program and for safeguarding federal funds.

The governing body assumes legal and fiscal responsibility for the Head Start program and for safeguarding federal funds. These are especially important because your organization receives federal funds from OHS.

To help fulfill fiscal responsibilities, the Head Start Act requires your governing body to have at least one member with expertise in accounting or fiscal management. If you don't already have a member with this expertise, you may want to start recruiting someone. The Act does allow exceptions to this rule for elected or appointed government bodies, such as school boards and Tribal Councils that oversee a Head Start program.

If you don't have someone with fiscal expertise on your governing body, check in with your program specialist to see if you can hire a consultant to advise you in fiscal matters. Remember in Section 2 when you saw the full list of governing body responsibilities? There are a lot! And many of them involve fiscal oversight.

Governing body members are responsible for reviewing and approving many fiscal activities. You also will receive and use regular fiscal reports. This section will examine these activities and reports closely. As you work through this section, notice how program oversight is strongly connected to fiscal oversight.

4.3: Why it's Important to Pay Attention to Your Program's Fiscal Situation

It is important to note that all governing body members, not just the fiscal expert, share the responsibility for safeguarding federal funds. Your governing body may have a finance or audit committee that leads fiscal activities, and you can turn to your fiscal expert for guidance and advice. But in the end, all members of the governing body must understand their fiscal responsibilities, carry them out with care, and be involved in financial decision-making.

[Watch this video](#) in which a former Head Start governing body chair discusses why it's important for all board members to pay attention to a program's fiscal situation.

4.4: Check Your Knowledge

Which of the following fiscal activities and reports should the governing body review and approve?

Select all that apply.

- a) Annual operating budget
- b) Selection of the external auditor
- c) Major expenditures
- d) Financial audit
- e) Management's plan to correct audit findings

The correct answer is all of these. The governing body is responsible for reviewing and approving all of the fiscal activities and reports listed here.

4.5: Safeguarding Federal Funds

Remember that the funds your organization receives to operate a Head Start program come from the federal government. Safeguarding these funds is a critical governing body responsibility. But what exactly does this mean?

- First, you must understand where your program's money comes from and how it can be spent.
 - In addition to the funds you receive from OHS, your program also may receive funds from your state government, local municipality, private donations, and in-kind contributions. In fact, the Head Start Act requires that 20 percent of your program's total costs come from non-federal sources. This is called the "non-federal share," and it demonstrates a community's commitment to its own Head Start program. As a governing body member, you play a critical role in helping your program to raise its non-federal share.
 - Governing body members also must understand where the program's money goes. Head Start funds should be used to achieve program goals and school readiness goals. You should learn how your program's budget contributes to accomplishing these goals.
- Second, you must understand your grant's fiscal compliance requirements.
 - The funds you receive from OHS come with rules and restrictions that may be new to your organization. While these rules can be complex, they were developed to protect taxpayer dollars.
- Third, you should be familiar with the general, external financial requirements of running your organization.
 - These include requirements related to IRS reporting, social security and unemployment taxes, state taxes, and business registration and licensing fees. Your executive director, chief financial officer (CFO), and governing body fiscal expert can help in this area.

- Finally, you should understand the systems your organization has in place to ensure fiscal compliance.
 - Such systems include the external audit, internal financial controls, and strong fiscal reporting practices. All governing body members should receive and review monthly reports on your program's fiscal health.

4.6: Fiscal Compliance Regulations

Federal Head Start grants come with many fiscal rules and restrictions. Below are some of the federal compliance regulations that prescribe how your program should manage, spend, and report its funds. At first glance, this list may appear overwhelming.

You don't need to memorize these rules, but it is important that every governing body member have an appreciation of what safeguarding federal funds is all about. If your organization is new to running a Head Start program, make sure that you receive all of the training and support you need to understand how these regulations apply to your organization so that you can identify milestones and red flags as you perform your governing body responsibilities.

- **45 CFR Part 74:** Establishes uniform administrative rules for federal HHS grants awarded to institutions of higher education, hospitals, and other nonprofit and commercial organizations.
- **45 CFR Part 92:** Establishes uniform administrative rules for federal HHS grants awarded to state, local, and tribal governments.
- **45 CFR Part 1301.32:** Sets limitations on allowable costs of developing and administering a Head Start program.
- **45 CFR Part 1309.11:** Regulates costs related to the purchase, construction, or major renovation of Head Start facilities.
- **2 CFR Part 215.23:** Regulates procedures for receiving contributions, including cash and third party in-kind; especially helpful for meeting the 20 percent non-federal share.
- **2 CFR Part 215.25:** Outlines procedures that Head Start directors and fiscal managers must follow when making revisions or changes in program plans and budgets.
- **2 CFR Part 215.44:** Provides guidance to Head Start grantees for developing written procurement procedures.
- **2 CFR Part 215.45:** Directs cost and price analysis when purchasing goods and services.
- **2 CFR Parts 220, 225, and 230:** Establish cost principle standards for different types of Head Start grantees.
- **Office of Management and Budget (OMB) Circular A-133:** Assists auditors in determining federal objectives, expectations, and auditing procedures for federally funded programs.

[Download the PDF version of these regulations](#) [PDF, 150KB].

4.7: Fiscal Glossary

Let's review some of the fiscal terms that are commonly used in Head Start programs. For governing body members who are new to the fiscal world, knowing these terms will allow you to more fully understand the materials in this section and, as a result, embrace your responsibility for safeguarding federal funds. Over time, you will become more familiar with these terms and how they are used.

- **Administrative Cost Limitation:** Organization-wide costs related to management functions, including: planning, accounting, personnel management, and other administrative duties. These costs do not relate to the provision of program services and must not exceed 15 percent of the total Head Start program budget (federal plus non-federal share).
- **Capital Budget:** An estimate of the capital needs of a project, such as for new equipment, unusual repairs, or additional property.
- **Cash Flow Projections:** A key aspect of financial management that involves a forecast of the cash a business expects to receive and disburse during a given time period.
- **Cost Allocation:** The process of assigning to two or more programs the costs of a shared item so that each program bears its fair share, and only its fair share, of the total cost of the item.
- **Disallowed Costs:** Those costs that ACF determines to be unallowable to the Head Start grant, in accordance with the applicable federal cost principles or other terms and conditions contained in the award.
- **Federal Cost Principles:** Standards developed by OMB that determine the allowable costs by non-federal organizations receiving federal funds. To be allowable under an award, a cost must be reasonable and necessary for the performance of the project and be allocable to the award. See 2 CFR Parts 220, 225, and 230.
- **Indirect Costs:** Costs of a Head Start agency which are not readily identifiable with a particular project or program but that nevertheless are necessary to the general operation of the agency and the conduct of its activities. Indirect costs may include the cost of a single organization-wide audit. They may be classified as administrative or program costs, but are usually categorized as administrative. See [45 CFR 1301.2\(j\)](#).
- **In-Kind Match:** Property, goods, or services that benefit a grant-supported project or program and are contributed by non-federal third parties without charge to the grantee. In-kind contributions may consist of the value of real property, equipment, goods, and services directly benefiting the grant program and specifically identifiable to it. In-kind match is counted for the period when the services are provided or when the donated goods are received and used.
- **Internal Controls:** A process designed to provide reasonable assurance that financial transactions are properly recorded and presented, funds and assets are protected, and transactions are executed in compliance with laws and regulations.
- **Non-Federal Share Match:** A statutory requirement of the Head Start Act stating that the grantee agency must provide 20 percent of the total costs of the Head Start program unless a waiver has been granted. This share can be in the form of in-kind donations or cash match received from third parties or contributed by the agency. In-kind contributions must be provided and cash expended during the project period along with federal funds to satisfy the matching requirements. See [Section 640\(b\)](#) of the Head Start Act.
- **Operating Budget:** An estimate of the size and sources of future income and the amounts and types of future expenses necessary for the day-to-day operation of a business or project.
- **Program Costs:** Costs incurred in accordance with an approved Head Start budget and that directly relate to the provision of program services. See 45 CFR Part 1304.

- **Segregation of Duties:** An internal control method used to assure that no financial transaction is handled by only one person from beginning to end. This protects against fraud and the allegations of fraud at the program and individual levels.
- **Total Approved Costs:** The sum of all costs of the Head Start program approved for a given budget period. Total approved costs consist of the federal share plus any approved non-federal share.

For future reference, please [download the PDF version of this glossary](#) [PDF, 185KB].

4.8: Check Your Knowledge

For each definition below, select the corresponding fiscal term.

1. A statutory requirement of the Head Start Act stating that the grantee agency must provide 20 percent of the total costs of the Head Start program unless a waiver has been granted.
 - a) Cash flow projections
 - b) Cost allocation
 - c) Non-federal share match
 - d) Program costs
 - e) Segregation of duties
2. A key aspect of financial management that involves a forecast of the cash a business expects to receive and disburse during a given time period.
 - a) Cash flow projections
 - b) Cost allocation
 - c) Non-federal share match
 - d) Program costs
 - e) Segregation of duties
3. An internal control method used to assure that no financial transaction is handled by only one person from beginning to end. This protects the organization from risk of fraud and protects the individual from allegations of fraud.
 - a) Cash flow projections
 - b) Cost allocation
 - c) Non-federal share match
 - d) Program costs
 - e) Segregation of duties
4. The process of assigning to two or more programs the costs of a shared item so that each program bears its fair share, and only its fair share, of the total cost of the item.
 - a) Cash flow projections
 - b) Cost allocation
 - c) Non-federal share match
 - d) Program costs
 - e) Segregation of duties

5. Costs incurred in accordance with an approved Head Start budget and that directly relate to the provision of program services.
 - a) Cash flow projections
 - b) Cost allocation
 - c) Non-federal share match
 - d) Program costs
 - e) Segregation of duties

The correct answers are: 1 = c; 2 = a; 3 = e; 4 = b; and 5 = d.

4.9: Strong Fiscal Management

Now it's time to look closely at how a Head Start governing body can carry out its fiscal responsibilities. There are five elements that help ensure strong fiscal management in Head Start. The first three are handled internally by the governing body, Policy Council, and management. They include:

- Financial policies and procedures
- Annual budgeting process
- Ongoing financial reporting

It is important to note, however, that your program's budget and financial reports do need to be submitted to OHS for review.

The other two elements of strong fiscal management involve oversight mechanisms conducted by outside entities—namely, your auditor and OHS.

4.10: Fiscal Systems, Policies, and Procedures

Head Start governing bodies must assure that their programs have strong fiscal systems that reflect a clear understanding of the regulations. As shown here in an excerpt from the Head Start Act of 2007, the governing body is responsible for approving all fiscal management, accounting, and reporting policies.

Governing Body Responsibilities [Head Start Act, Sec. 642(c)(1)(E)(iv)(VII)]

(E) RESPONSIBILITIES – The governing body shall –

(iv) be responsible for other activities, including–

(VII) approving financial management, accounting, and reporting policies, and compliance with laws and regulations related to financial statements...

Specifically, the governing body must make sure that a program's financial policies are in writing and periodically reviewed and updated. Examples include policies that:

- Define segregation of duties
- Establish procurement procedures
- Describe employee compensation

You may rely on management staff, fiscal experts, and outside consultants to provide guidance and advice in developing and reviewing these policies. However, the full governing body is responsible for approving them. If your organization is new to Head Start, you may need to revise your financial policies or develop additional ones to comply with Head Start requirements.

4.11: Financial Management System Requirements

Federal regulations detail strict financial management system requirements for every project or program funded with federal dollars. These apply to agencies that manage Head Start programs. Your governing body fiscal expert and CFO will work with you to ensure your program's fiscal systems comply with these requirements:

1. Accurate, current, and complete disclosure of the financial results of each federally sponsored project or program
2. Records that document the source of federal funds and how the funds were used
3. Effective control over and accountability for all funds and assets
4. Comparison of expenditures with budget projections
5. Written cash management procedures that minimize the duration and amount of cash on hand
6. Written procedures for determining that costs comply with cost principles
7. Accounting records that are supported by documentation

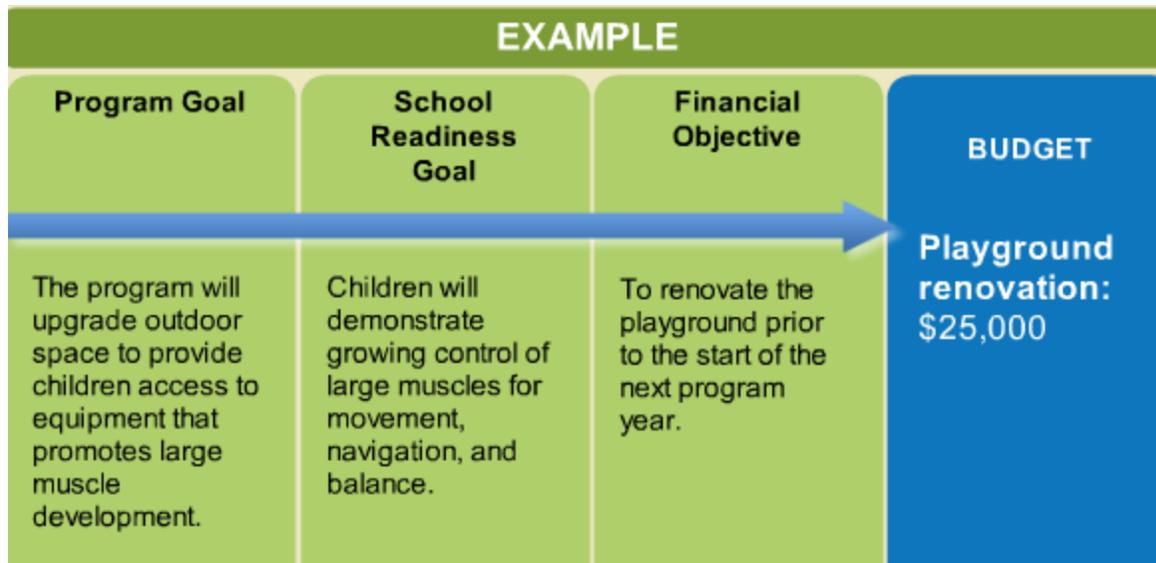
Adapted from 45 CFR 74.21 and 45 CFR 92.20

[Download the Financial Management System Requirements list](#) [PDF 161KB] and to add to your governing body resources for future reference.

4.12: Annual Budgeting

The second step to ensuring strong fiscal management in Head Start is the annual budgeting process. The governing body is responsible for reviewing and approving all of your organization's budgets, including the Head Start budget.

Be aware that Head Start budgeting does not happen in a vacuum. It is part of a larger planning process that involves management, the Policy Council, and the governing body. Think of the budget as a financial interpretation of both your program goals and school readiness goals. This example illustrates what to look for in a strong relationship between program goals, school readiness goals, financial objectives, and the operating budget.



4.13: The Budgeting Process

So, what is your role as a governing body member in Head Start budgeting? Your involvement begins in the planning process, where your program goals and school readiness goals are determined. Then, management will present you with a proposed budget. Review the budget carefully to make sure it reflects and supports the program goals and school readiness goals.

You now have three steps to take:

1. Closely review the proposed budget and any supporting information. You also should consider any comments and recommendations made by the Policy Council during its review of the budget. As you learned earlier in this section, OHS requires every grantee to raise 20 percent of its budget from non-federal sources. Many Head Start programs find this difficult. As you review the proposed budget, determine if the non-federal share sources are sound and meet federal regulations. As a leader in your community, you can help generate sources of non-federal share by connecting other business, civic, and philanthropic leaders to your Head Start program. Review items should include:
 - Spreadsheets
 - Operating budget
 - Capital budget
 - Notes explaining assumptions and major line items
 - Other information, such as year-to-year comparisons, graphs, and charts
2. Discuss the budget as a group and to resolve any questions posed by members. Please note that if your governing body has a finance committee, members of that committee will likely have conducted a more extensive review of the budget before it was brought to the full board. The finance committee chair or board treasurer may make recommendations to the full group and provide context and information regarding particular budget items. This should include:
 - Presentation by a governing body member or management
 - Opportunity to ask questions
 - Discussion about how the budget relates to program goals and school readiness goals
3. Take action by approving the budget or making recommendations for changes.

- Affirm that the Policy Council submitted a budget for its activities and reviewed the overall budget
- Vote to:
 - Accept the budget as is or with minor revisions, or
 - Request additional revisions or information

4.14: Annual Budget Example

This is an example of how engaged governing body members might review a proposed Head Start budget.

- Governing Body Member: "I noticed that for the past three years, teacher salaries have stayed the same. I know that one of our program goals is to hire teaching staff with bachelor's degrees. Will we be able to attract the teachers we want to hire with the salary we are offering?"
- Treasurer: "Great point! Let's have a conversation with the Head Start director and the CFO to see if we should make some adjustments so that this budget supports Head Start program goals."

4.15: Financial Reports

The third element for ensuring strong fiscal management in Head Start is ongoing financial reporting. Throughout the year, the governing body is responsible for reviewing monthly financial reports that are generated and used by management and then shared with the Policy Council. In many cases, your governing body's finance committee will preview these reports and highlight the most important issues for all members to consider.

As a governing body member, you need to review and approve major expenditures, examine monthly and year-to-date income and expenditures, and compare them against the budget. Pay close attention to notable differences between your actual and budgeted income and expenses. You also should compare the current and prior years' figures and note any unexpected variations. The governing body treasurer or CFO should provide you with explanations for how the financial figures connect with what's been happening in the program.

Credit cards are among the most common cause of unauthorized expenditures. As a result, the governing body must review the organization's monthly credit card statements. Examine all credit card charges to the Head Start program and identify, investigate, and address any questionable transactions.

4.16: Financial Reporting Example

This is an example of how engaged governing body members might review monthly financial reports.

- Treasurer: "For the first quarter of this Head Start program year, our facilities expenses seem to be on the low side compared to what we have budgeted. Is there a reason for that?"
- Executive Director: "Yes. If you remember what happened last winter, we had a long cold spell and spent a lot of money heating our facilities. We are expecting the same kind of winter this year. I suspect that by midyear, you will see that budget item back on track."

4.17: Check Your Knowledge

Select True or False for each statement below.

1. The budget is a financial interpretation of your program's goals.
 - True
 - False

2. The governing body treasurer alone approves the annual budget.
 - True
 - False

3. The annual budget is reviewed by the Policy Council before the governing body receives it for review and approval.
 - True
 - False

4. The governing body approves the annual budget. This responsibility cannot be delegated to a committee.
 - True
 - False

5. The management team does not need to submit the budget to governing body members prior to the budget meeting.
 - True
 - False

Answers: 1 = True, 2 = False, 3 = True, 4 = True, and 5 = False.

4.18: Check Your Knowledge

How frequently must a Head Start governing body review the program's financial reports? Select one answer.

- a) Annually
- b) Quarterly
- c) Monthly
- d) Weekly
- e) Semi-annually

The correct answer is c) monthly.

4.19: Elements of Strong Fiscal Management

Now that you've learned about the internal elements for ensuring strong fiscal management in Head Start, let's shift to the two external processes: the annual audit and the federal monitoring review.

Annual Audit

The Head Start Act clearly states that the governing body is responsible for the annual audit. Although you have primary responsibility for the audit, you don't do this alone. The Policy Council and management also have significant roles to play in the audit process.

Governing Body Responsibilities [Head Start Act, Sec. 642(c)(1)(E)(iv)(VII)]

(E) RESPONSIBILITIES – The governing body shall–

(i) be responsible for other activities, including–

(VII) approving financial management, accounting, and reporting policies, and compliance with laws and regulations related to financial statements, including the–

(cc) selection (except when a financial auditor is assigned by the State under State law or is assigned under local law) of independent financial auditors who shall report all critical accounting policies and practices to the governing body; and

(dd) monitoring of the agency's actions to correct any audit findings and of other action necessary to comply with applicable laws (including regulations) governing financial statement and accounting practices;

But what is the purpose of an audit and why it is so important? An audit is a lengthy and comprehensive study of an organization's financial records and procedures.

As you can see from the excerpt from the Head Start Act, an audit is used to determine whether:

- Financial statements are accurate
- The organization is complying with the terms and conditions of the Head Start grant
- Appropriate financial and administrative procedures are in place and being followed

OHS is committed to supporting grantees in this area. Governing bodies across the country need to strengthen their approach to audits and actively use the results to fortify their fiscal operations.

Audits are being given extra attention because of the seven conditions in the DRS that are cause for re-competition. If the federal government has determined, through an audit or an investigation, that the grantee is at risk of ceasing to be a "going concern," they will be required to re-compete for funding. This means that the organization is not fiscally secure.

4.20: Responsibility for the Audit

Before we trace the path of a successful audit process, you need to keep in mind two key points about the responsibility for the audit.

- First, the auditor is hired by and reports to the governing body, not your organization's executive director. This minimizes the risk of impropriety.
- Second, many organizations establish an audit committee that is responsible for managing the audit process. This committee cannot act on behalf of the full board when it comes to reviewing the audit.

4.21: The Audit Process

Now, let's walk through the four steps to a successful audit.

Step 1. Governing body hires auditor

Your auditor must have the right experience and expertise and be willing to provide your agency with an in-depth audit. In selecting an auditor, the full governing body or audit committee should look for someone who is knowledgeable about:

- Internal accounting controls,
- Generally accepted auditing standards
- A-133 audits, also called single audits, which are required for organizations that receive more than \$500,000 in federal funds

The auditor also should be familiar with the A-133 compliance supplement and the requirements specific to audits of Head Start programs. Finally, if your organization is a government agency, you will want to hire someone who understands government auditing standards.

Step 2. Audit is conducted

The audit usually begins within 90 days after the close of your program's fiscal year. This allows the CFO time to complete any year-end transactions, gather the required documentation, and follow the auditor's preparation instructions. The auditors will visit the office for a pre-audit meeting, and then work on site for at least a few days. Generally, the governing body is not involved in this part of the process.

Step 3. Governing body and Policy Council receive audit

Once the auditors complete their work, they will submit the audited financial statements and management letter to the governing body. These documents also must be shared with the Policy Council. It is best practice for the auditors to present the audit in person to the full governing body. During this meeting, you will have a chance to review the audited financial statements, discuss the findings, and develop a plan for taking corrective action, if needed. Often, the governing body will formally "accept" or "receive" the audit as evidence that this important oversight task has been completed.

Step 4. Governing body monitors corrective action

The governing body is responsible for ensuring that appropriate action is taken in response to any audit findings. Even if the audit is "clean," meaning that there are no findings, the auditors may have recommendations for strengthening the organization's fiscal management systems during the coming year.

As a condition for all five-year grants, each grantee must participate in OHS's [A-133 Audit Training Webcast: Understanding the Importance of Your Annual Audit and How the Audit Process Can Strengthen Your Organization](#). It is available for on-demand viewing on ECLKC.

[Download a PDF version of The Audit Process](#) [PDF, 233KB] and add it to your governing body resources.

4.22: Parts of an Audit

A complete set of audited financial statements includes several different items, many of which may be familiar to you.

- **Opinion** – Provides the auditor's view of your organization's financial systems and statements. An "adverse opinion" indicates your organization is not in compliance with fiscal regulations and standards.
- **Statement of Financial Position** – Shows the net worth, assets, liabilities, and net assets of the organization; also called a balance sheet.
- **Statement of Activities** – Shows the organization's financial performance for the fiscal year; highlights major revenues and expenses, as well as unrestricted and restricted funds.
- **Statement of Functional Expenses** – Provides line-item detail of organization expenses, by function (e.g., program, administration, fundraising, etc.) and by nature (e.g., salaries, rent, utilities, etc.).
- **Statement of Cash Flows** – Shows how cash funds were received and spent during fiscal year.
- **Notes** – Provides a description of the organization and information about its tax status, accounting policies, fixed assets and depreciation, funding sources, debt, and other financial factors.

4.23: Federal Monitoring Review

The fifth element for ensuring strong fiscal management in Head Start is the federal monitoring review.

As you learned in Section 3, OHS will conduct a comprehensive monitoring review in the third year of your five year grant cycle. The on-site review measures your organization's performance and compliance with the Head Start Act, Head Start Program Performance Standards, and federal fiscal regulations. During their visit, monitoring team members look at elements of your program's fiscal performance and strength. The team members will collect data and analyze how well your program is complying with fiscal regulations and implementing best practices.

Indicators of Program Fiscal Performance:

- Financial management systems
- Reporting
- Procurement
- Compensation
- Cost principles
- Facilities and property

When a Head Start governing body exercises its fiscal oversight responsibilities and regularly ensures that fiscal systems are working properly, there should be no surprises during the OHS monitoring review. However, if as a result of federal monitoring OHS determines that your program is not in compliance, it is the responsibility of the governing body to ensure that these issues are resolved immediately.

4.24: Check Your Knowledge

Financial audits and federal monitoring reviews can be intimidating, but they don't have to be. Let's see what you've learned.

To whom does the auditor report? Select one answer.

- Executive director

- b) Audit committee
- c) Governing body

The correct answer is c) Governing body.

4.25: Check Your Knowledge

Who should receive copies of the Head Start program audit? Select all that apply.

- a) Executive director
- b) Policy Council
- c) Governing body

The correct answer is a, b, and c.

4.26: Check Your Knowledge

A successful audit process includes four sequential steps. Please select the correct step number for each action.

A. Governing body monitors corrective action.

- 1) Step 1
- 2) Step 2
- 3) Step 3
- 4) Step 4

B. Audit is conducted.

- 1) Step 1
- 2) Step 2
- 3) Step 3
- 4) Step 4

C. Governing body hires auditor.

- a) Step 1
- b) Step 2
- c) Step 3
- d) Step 4

D. Governing body, Policy Council, and management receives audit.

- a) Step 1
- b) Step 2
- c) Step 3
- d) Step 4

Answers: A = 4, B = 2, C = 1, and D = 3

4.27: Check Your Knowledge

What are the elements that ensure strong fiscal management in Head Start? Select all that apply.

- a) Financial systems
- b) Annual audit
- c) Annual budgeting
- d) Federal Monitoring Review

e) Fiscal reporting

The correct answer is all of these.

4.28: The Dirty Dozen: Warning Signs of Financial Trouble

Congratulations! You are well on your way to becoming a knowledgeable and active participant in your Head Start program's governing body. We've talked about what you can do to stay on track with your Head Start fiscal systems, budget, financial reports, audit, and federal monitoring review. But you may be asking yourself, "What does it look like when things aren't going so well?"

Review the 12 warning signs of financial trouble. Be on the lookout for these red flags and be prepared to take action if one of them should appear in your program.

1. Budgets are unbalanced year after year.
2. Unanticipated budget changes, such as notable increases in travel expenses or declines in grant funding.
3. Significant changes in program funds, which may indicate inter-fund transfers between Head Start and other programs.
4. Overdue or inaccurate financial reports.
5. Sudden increases in borrowing or unexpected requests to extend the line of credit.
6. Poor segregation of duties.
7. Lack of supporting documentation for expenses, including non-federal share documentation.
8. Audit is not shared with the full governing body, and repeat findings are not corrected.
9. Unexpected turnover in the CFO or external auditor positions.
10. Poor communication among the governing body fiscal expert, CFO, executive director, Head Start director, and other key personnel.
11. Governing body members have contracts with the organization.
12. Information about administrative and indirect costs is difficult to access.

What should you do if you encounter one of these warning signs?

1. Raise the issue with the executive director or governing body chair.
2. Task the finance or audit committee with working with the executive director and CFO to understand and address the root causes. If needed, seek outside counsel from financial professionals.
3. Bring a report of the findings and proposed action plan to the governing body for consideration.
4. Monitor progress on the action plan.

[Download a PDF version of The Dirty Dozen](#) [PDF, 150KB] to add to your governing body resources.

4.29: Summary

In this section, you learned about the governing body's fiscal responsibilities for overseeing a Head Start program. We discussed what it means to safeguard federal funds and explored federal fiscal regulations that impact how your program manages, uses, and reports its funds.

We also examined essential internal functions and responsibilities, such as fiscal management systems, the annual budgeting process, and ongoing financial reporting. And we discussed two processes that

involve external fiscal review: the annual audit and the federal monitoring review. Together, these fiscal controls, planning processes, and oversight functions ensure that your Head Start program is financially strong.

Explore Section 5 to find resources to further extend learning about your role as member of a governing body.

Section 5: Resources

This certification has provided an overview of the important roles and responsibilities required of Head Start governing body and Tribal Council members.

Select the links below to access resources related to each section of this certification.

Section 1: Embracing Head Start

- [History of Head Start](#) – Read an overview of the history of Head Start, including information about the Improving Head Start for School Readiness Act of 2007. Two videos provide additional historical background.

Section 2: What Is Head Start Program Governance?

- [Head Start Act.](#)
- [Head Start Program Performance Standards.](#)
- [Head Start Program Governance: Frequently Asked Questions \(FAQs\)](#) – Find answers to common questions about Head Start program governance, particularly the roles and responsibilities of the governing body, Policy Council, and other parent groups.
- [Head Start Program Governance Entities Diagram](#) [PDF, 78KB] – Two Venn diagrams list each entity's responsibilities and describe composition requirements.
- [Where Do You Stand?](#) [PDF, 191KB] – Use this checklist of responsibilities to identify new tasks for your governing body now that you have won a Head Start award.

Section 3: Legal Responsibilities

- [Program Governance: Glossary of Documents and Reports](#) – Explore brief descriptions of the key documents and reports that Head Start governing body members must regularly review as part of their oversight responsibility.
- [Governing Regulations and Documents](#) [PDF, 252KB] – Discover examples of regulations and documents at the federal, tribal, state, local, and organizational levels that may impact Head Start program governance.
- [Head Start and Other Federal Regulations](#) [PDF, 161KB] – This resource describes some of the federal laws and regulations that impact how Head Start programs are governed and managed.

Section 4: Fiscal Responsibilities

- [PMFO Fiscal Resources](#) – Find online fiscal tools and resources offered by the National Center on Program Management and Fiscal Operations (NCPMFO).
- [Fiscal Compliance Regulations](#) [PDF, 150KB] – Start exploring some of the federal compliance regulations that prescribe how Head Start programs must manage, spend, and report their funds.
- [Fiscal Glossary](#) [PDF, 185KB] – This glossary provides definitions of fiscal terms that are frequently used in the fiscal management and oversight of Head Start programs.

- [Financial Management System Requirements](#) [PDF, 161KB] – Learn about the seven standards for financial management systems that are required of organizations and governments that receive grants and contracts funded by HHS.
- [The Audit Process](#) [PDF, 233KB] – Discover the four steps of the audit process.
- [The Dirty Dozen: Warning Signs of Financial Trouble](#) [PDF, 150KB] – Know the 12 warning signs of potential financial trouble within a Head Start program or grantee organization.

Extend Your Learning

Building Your Governance System

- [Governance, Leadership, and Oversight Capacity Screener](#) [PDF, 448KB] – This online diagnostic tool can help governing bodies and Head Start managers assess their program's governance system and identify areas for capacity building and training.

The Governing Body

- [Governance Readiness Tool](#) [PDF, 593KB] – Use the 15 indicators of effective governance to determine the strengths of the governing body and where they need assistance in building capacity to effectively oversee a Head Start program.

Meeting Management

- [Presiding Over a Meeting](#) – Know the important steps for running an effective governing body meeting.
- [Simplified Parliamentary Procedure](#) – Learn how to use parliamentary procedure to facilitate an effective governing body meeting.
- [Rights of Membership](#) – Explore the rights to participation and consensus that members have when serving on a governing body or Policy Council.