



# Service Provider Manual

Fiscal Year  
2011/2012



# Table of Contents

<b>Introduction</b>	<b>4</b>
Welcome Letter	4
Contact Information	5
Overview of First 5 Fresno County	6
Introduction to Contract Monitoring	6
<b>Administrative Monitoring</b>	<b>7</b>
Service Provider Manual and Commission Contract	7
Client Eligibility	7
Organizational Chart, Job Descriptions, and Staffing Changes	7
Department of Justice Fingerprint Clearance	8
Child Abuse Mandated Reporter Training	8
Expulsion	8
Faith-based Funding Policy	8
Tobacco Policy	9
Insurance Coverage and Licensure Requirements	9
Cultural Competency	9
Collaboration with the Commission and Community Partners	9
Communications	9
Contract Closing Requirements	12
Questions or Complaints	12
Penalties	13
<b>Programmatic Monitoring</b>	<b>14</b>
Persimmony	14
Evaluation	14
Reporting Requirements	15
Annual Contract Review and Visits	17
Documentation of Services and Record Retention	18
Best Practices in Early Care and Education	18
Capacity Building	18
Case File Standardization	19
Past Performance Review	19

# Table of Contents

Corrective Action Plan _____	19
Program Challenges _____	20
<b><i>Fiscal Monitoring</i></b> _____	<b>21</b>
Supplantation _____	21
Restricted Funds _____	21
Budget _____	21
Administrative/Indirect Cost _____	23
Reimbursement Payments _____	23
Electronic Funds Transfer (EFT) – Automated Clearing House (ACH) Payments – Updated 2/21/12	24
Advance Payments _____	24
Finance Variance Form _____	25
Program Cost Allocation Plan _____	25
Service Provider Responsibilities with Subcontractors _____	26
Equipment and Capital Purchased with Commission Funds _____	26
Food Purchases _____	27
Incentives and Stipends _____	27
Program Income _____	27
Penalties _____	27
Audit and Inspection _____	28

# Section 1

## Introduction

Dear Service Provider:


Thank you for partnering with us as we embark on the fourth year of our Strategic Plan. Children need our voice today, more than ever. Challenging times call for increased collaboration, more coordinated service delivery, and an even greater need for us to maximize resources in our community.

First 5 Fresno County is dedicated to ensuring all our funded partners receive the resources and assistance needed to successfully plan and implement programs. This Service Provider Manual has been developed to provide you with comprehensive information on our requirements and to assist you in managing your First 5 Fresno County contract.

On behalf of our children and First 5 Fresno County staff, thank you for your dedication to improving the lives of Fresno County children and their families.

Together, let's make a difference.

Sincerely,

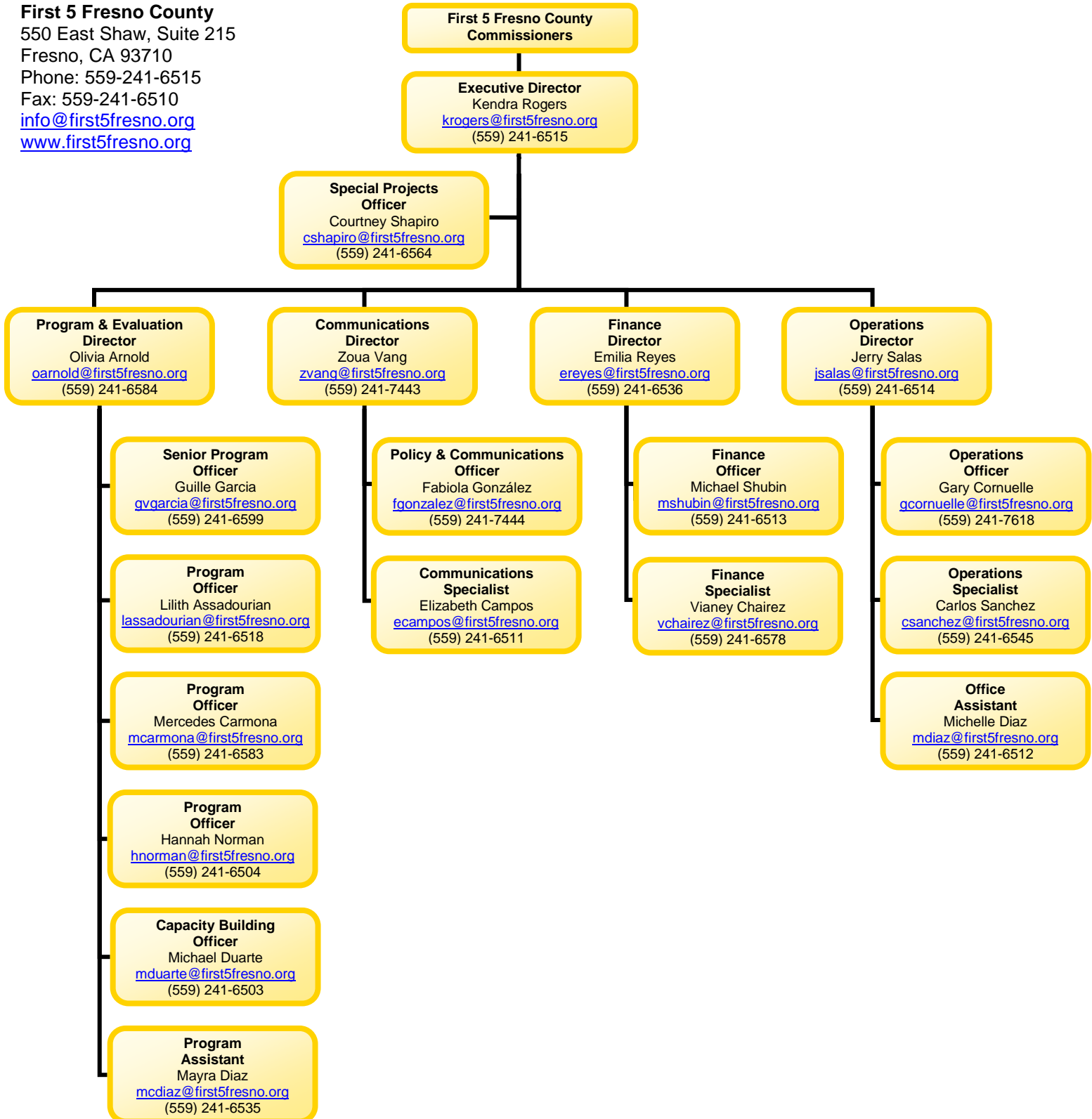


Kendra Rogers  
Executive Director



# Section 1 Introduction

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# Section 1

## Introduction

### Overview of First 5 Fresno County

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First 5 Fresno County was established subsequent to California voters passing Proposition 10, the "California Children and Families First Act of 1998." The Act provides for a 50 cent per pack tax on cigarettes. The monies collected are used to fund anti-smoking and early childhood education programs, including parent education, health and child care programs that promote early childhood development from prenatal through age 5. County Commissions were established by each County's governing board. Commissions are responsible for adopting a strategic plan prior to the allocation of any funding. The [2008-2013 Strategic Plan](#) can be found on the First 5 Fresno County [website](#).

#### First 5 Fresno County's Vision

All children 0-5 years old will achieve optimal social, emotional, physical, and cognitive development.

#### First 5 Fresno County's Mission

First 5 Fresno County will be a catalyst for creating an accessible and effective network of quality services for young children (0-5 years old) and their families.

### Introduction to Contract Monitoring

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In order to adhere to state laws, the Commission is required to establish and enforce policies and procedures with regard to contracting and procurement.

Contract monitoring is necessary to:

- Ensure performance is meeting targets as stated in the scope of work (SOW), evaluation, and budget
- Promote continuous program improvement
- Enable Commission staff to obtain information and/or documentation regarding the quality and effectiveness of a program
- Ensure costs are consistent, reasonable, necessary and justifiable with intended and actual outcomes

The following areas will be monitored concurrently by the Commission:

- Administrative
- Programmatic
- Fiscal

*Note: Throughout the remainder of this Service Provider Manual, First 5 Fresno County will be referred to as the "Commission" and contractors will be referred to as "Service Providers."*

## Section 2

# Administrative Monitoring

### Administrative Monitoring

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Administrative monitoring ensures compliance with the Terms and Conditions outlined in the contract. Please note, all administrative requirements and documents referenced below can be located on the Commission [website](#).

Service Providers must adhere to the following administrative requirements:

#### **Service Provider Manual and Commission Contract**

Service Providers are responsible for maintaining a copy of the current Commission Service Provider Manual and contract. All funding requirements outlined in both documents are mandatory.

#### **Client Eligibility**

Clients served by Commission funds must meet the following age and residency requirements:

- Children prenatal through 5 years of age (the eve of their 6<sup>th</sup> birthday) residing in Fresno County
- Parents, primary care givers, or legal guardians of children prenatal through 5 years of age who reside in Fresno County
- Professionals who provide services to Fresno County (i) children ages prenatal through 5 years of age, (ii) the parents, primary care givers, or legal guardians of these children; and/or (iii) professionals

Service Providers are required to maintain backup documentation to verify client age and residency eligibility. Accepted documentation includes things such as birth certificates and immunization records for proof of age and a utility bill for proof of residency. Other forms of documentation must be approved by the Commission.

#### **Organizational Chart, Job Descriptions, and Staffing Changes**

Service Providers are required to submit job descriptions for all Commission funded employees and an agency organizational chart to the Commission prior to contract execution.

In an effort to maintain client confidentiality, the Commission requires all funded partners to report any staffing changes to the Commission. Please notify your Program Officer within five business days of any staffing change.

If the agency fails to fill the vacant position in a timely manner the Commission reserves the right to suspend the contract and/or withhold payment. Please refer to the Administrative Penalties section.



## Section 2

### *Administrative Monitoring*

#### **Department of Justice Fingerprint Clearance**

All Commission funded employees, agents, volunteers, and subcontractors who directly provide services to children must be fingerprinted in accordance to state and federal laws and must have a criminal clearance which states that they do not have a criminal history which would compromise the safety of children. Additionally, irrespective of any federal or state legal requirements, all funded partners must ensure employees, agents, volunteers, or subcontractors who will or may have direct, unsupervised access to children in connection with the funded services, are fingerprinted and have the same criminal clearance described in the preceding sentence. Verification of fingerprint clearance must be maintained for all parties listed above.

#### **Child Abuse Mandated Reporter Training**

Commission funded partners are required to report all known or suspected instances of child abuse or neglect to either local law enforcement or county child welfare services consistent with state and federal law. Each and every Commission funded employee, agent, volunteer, or subcontractor who directly provides services to children is required to receive annual training regarding child abuse and neglect prevention and reporting and must sign a statement acknowledging they understand and will comply with the child abuse reporting laws. Verification of annual mandatory child abuse reporter training must be maintained for all parties listed above.

#### **Expulsion**

The Commission does not support the expulsion of young children from any program including, but not limited to: kindergarten camp, preschool, home visitation and enriched child care. In lieu of expulsion, Service Providers are required to work closely with families to ensure the services provided best meet the needs of the individual child and family.

#### **Faith-based Funding Policy**

The Commission embraces the value of an active partnership between families, Service Providers, civic leaders, the faith-based community, local business and the community at-large, and honors and respects the diversity of our community.

The Commission acknowledges the right of individuals to participate in Commission funded programs without coercion or unsolicited exposure to faith. Therefore, the Commission will not fund/support religious activities, and/or activities that appear to promote a particular religious belief over others by way of its funding practices.

Service Providers and program recipients are expected to comply with all the legal requirements and restrictions imposed upon government-funded activities as articulated in the California Constitution and the Religion Clauses of the First Amendment to the United States Constitution.

Please note, a complete copy of the Commission's [Funding Faith-based Organizations](#) policy can be located on the Commission [website](#).

## Section 2

### *Administrative Monitoring*

#### **Tobacco Policy**

The Commission recognizes the importance of protecting the health and safety of children, families, employees, visitors, and others and has adopted a tobacco-free policy requiring a tobacco-free provision be present in any agreement between the Commission and programs funded by the Commission.

All programs contracting to receive funding from the Commission must provide a written copy of an established tobacco-free policy prior to the disbursement of granted funds. The tobacco policy must apply to all employees, contractors, service employees, visitors, and others.

Please note, a complete copy of the Commission's [Tobacco](#) policy can be located on the Commission [website](#).

#### **Insurance Coverage and Licensure Requirements**

Service Providers must maintain valid licenses, certifications and insurance coverage as applicable.

#### **Cultural Competency**

All services, documents, and program materials must be culturally and linguistically relevant to the populations served.

Cultural competency is an ongoing process. Because of this, the Commission encourages its partners to pursue ongoing training to develop cultural respect by honoring each family's expressed culture and focusing on family strengths when delivering services.

#### **Collaboration with the Commission and Community Partners**

The Commission expects Service Providers to collaborate and identify new ways of interacting and coordinating services to maximize resources and build sustainable partnerships.

#### **Communications**

##### Properly Crediting the Commission

This policy should be viewed as a tool to ensure the work the Commission and its funded providers do will be sustainable. The proper crediting policy is the Commission's way of showcasing the impact Proposition 10 (the legislation that created and generates revenue for the Commission) has had on our community.

It is critical we communicate how Proposition 10 has benefited our community and therefore, Service Providers who do not adhere to the Commission's proper crediting policy will be penalized. Please refer to the Administrative Penalties section.

## Section 2

### Administrative Monitoring

#### Logo Placement

All publications, including, but not limited to, media activities, posters, conferences, brochures, etc., that are in support of Commission funded programs, events or projects with full or partial funding from the Commission must publicly acknowledge the Commission's role and the use of public monies. All acknowledgements must include the Commission's logo and the following text (please ask the Commission for a current logo. *Note: the Commission updated its logo in 2010*):

Funded by:



---OR---

Partially funded by:



Published documents such as newsletters, program brochures, news releases, and fliers, or public service announcements that discuss programs partially or fully funded by the Commission must include the Commission's logo. *All documents must be approved by Commission staff prior to publication.* In rare cases, if the Commission determines the logo is not suitable for a document, the acknowledgement may be substituted with the following: "Funded by First 5 Fresno County."

#### Events

If there are programs printed for an event that is partially or fully funded by the Commission, the printed materials must include the Commission's logo. *All documents must be approved by Commission staff prior to publication.* If there is a segment in the event program for verbal acknowledgement of sponsors/funders, the Commission must be credited in the following manner: "Funded (in part) by First 5 Fresno County."

In addition, at partially or fully funded events, a Commission banner must be prominently displayed. Banners can be borrowed prior to the event.

If there are any questions or concerns, please contact your Program Officer.



## Section 2

### *Administrative Monitoring*

#### Media Inquiries

All programs/projects with full or partial funding from the Commission must publicly acknowledge the Commission's role and the use of public monies. To help Service Providers adhere to Commission guidelines and effectively "tell your story" we are requiring all programs/projects to do the following:

1. If a Service Provider is actively soliciting the media to do a story about their program/project:
  - Inform Program Officer about the plan to engage the media
  - Program Officer will determine whether Service Provider will need to meet with the Commission's Communications Department
  - If necessary, Service Provider will meet with the Commission's Communications Department to develop a strategy on how to solicit media attention
  - Service Provider will need to submit a draft press release to assigned Program Officer
    - The Program Officer will give the release to the Communications Department for approval
    - Keep in mind, the Commission's job is not to edit a Service Provider's release or "control the message," but to make sure the Commission is presented in an accurate and appropriate manner and ensure proper crediting guidelines are satisfied
  - Once approved by the Communications Department, Service Provider can begin engaging the media
  
2. If a Service Provider receives a call from the media about a program/project:
  - It is essential for Service Providers to notify the Commission's Communications Department
  - The Commission's Communications Department understands the media work under tight deadlines and will always do its best to respond in a timely manner
  - Please do the following:
    - Service Provider receives a call from the media - Tell them you would like to help, but the Commission requires that all media requests must go through the Commission's Communications Department
    - Ask the reporter what his/her deadline is and tell them that someone will get back to them shortly
    - Call the Commission's Communications Department immediately
    - The Communications Department will call the reporter to understand the goal of the story
    - The Communications Department will call Service Provider back with the pros and cons of doing the interview and advise Service Provider of potential controversial issues
    - Once Service Provider has heard from the Communications Department, it is the Service Provider's decision whether to do the interview – but the

## Section 2

### Administrative Monitoring

- hope is that with the Commission's help, Service Providers are better prepared
- After the interview, always ask the reporter when the story will run/air so the Commission can monitor it for fairness and accuracy
  - Submit a copy of the story to your Program Officer

#### Contract Closing Requirements

Contract close-out is an important part of contract administration. Each Service Provider will be required to do the following:

Requirement	Due Date
<p>Persimmony Data: All entered data must be accurate and complete (client level, aggregate and narratives)</p> <ul style="list-style-type: none"> <li>• Delete all clients missing services</li> <li>• Address all missing client data (demographic and service information)</li> <li>• For non-continuing programs, all clients must be exited</li> <li>• Connect with Harder+Company at (415) 230-6423 with additional database questions and for final verification</li> </ul> <p>Note: Persimmony access will be deactivated; all contracts continuing are required to resubmit <a href="#">Persimmony User Log-On</a> form for security purposes.</p>	July 15 <sup>th</sup>
<p>All Annual Contract Review follow-up items must be fully resolved</p> <p><a href="#">End of Year Report</a> (electronic file located on <a href="#">website</a>)</p> <ul style="list-style-type: none"> <li>• Program Officer will notify Service Provider if applicable</li> </ul>	
<p>Financial Report period ending current fiscal year</p>	
<p>Equipment: If the agency wishes to retain equipment purchased through this contract, please submit a letter on letterhead from the contract notice person stating equipment will be used to further support children 0-5 years old and their families in Fresno County.</p>	June 30 <sup>th</sup>
<p>All documents and records are to be maintained for the next four years or the next audit, whichever occurs last. Additionally, your annual audit report covering expenses in the current fiscal year is required no later than April 30th.</p>	April 30 <sup>th</sup>

#### Questions or Complaints

At any time Service Providers may present questions or complaints regarding Commission policies, procedures, and final determinations to the Commissioners and/or the appropriate Commission committee.

## Section 2

### Administrative Monitoring

#### Penalties

Penalties will be imposed on a contract and/or agency. Failure to adhere to administrative, programmatic and/or financial requirements may result in any of the penalties listed below.

Note: Based on the severity of the finding and at the sole discretion of the Commission, penalties may not be imposed in the following order.

Finding	Penalty	Applicable To
First	A compliance warning letter will be sent and payment may be withheld until all issues are resolved	Agency
Second	<ul style="list-style-type: none"> <li>• A Corrective Action Plan will be implemented and contracts will be required to submit monthly financial reports</li> </ul> <p>Corrective Action Plans may include one or more of the following:</p> <ul style="list-style-type: none"> <li>○ Repayment for services inaccurately reported/administered and/or a 5% penalty will be imposed on balance due to contractor</li> <li>○ Suspension of contract without payment</li> </ul> <ul style="list-style-type: none"> <li>• Contracts receiving advance payments will be placed on reimbursements</li> </ul>	Agency and/or Contract
Third	Termination of contract and agency may be ineligible for future Commission funding	Contract



## Section 3

### *Programmatic Monitoring*

#### Programmatic Monitoring

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Programmatic monitoring determines if service delivery is consistent with contract provisions and submitted reports. Failure to adhere to the Commission's reporting and programmatic requirements will result in penalties. Please refer to the Administrative Penalties section. Please note, all programmatic requirements and documents referenced below can be located on the Commission [website](#).

Service Providers must adhere to the following program requirements:

#### **Persimmony**

Persimmony International, Incorporated has developed a web-based monitoring, tracking, and reporting data system. This system is used by the Commission as the primary mechanism for the input of program service and client level data for the reporting requirements.

Service Providers are granted access to the Persimmony system after submission of a [Persimmony User Log-on](#) form to their Program Officer. To maintain accurate data and client confidentiality, it is at the Commission's discretion to determine staff access to Persimmony based on individual SOW requirements. Staff responsible for entering data must attend required Persimmony trainings.

The Evaluation Team is always available if Service Providers experience problems with entering data or have questions about reporting requirements. Additional training by the Evaluation Team will be provided on an as-needed basis. Should you need any assistance with the Persimmony System, please contact Harder+Company at (415) 230-6423.

Service Providers are required to enter client intake and consent data into Persimmony, track individual services, and collect and enter selected individual program Outcome Indicators. It is the Service Provider's responsibility to ensure consent forms are signed and all data entered is accurate.

The Evaluation Team as well as Commission staff will routinely run reports from Persimmony to monitor this process and measure compliance with SOW outputs. Service Providers are responsible for ensuring data in Persimmony are accurate and complete. Service Providers who do not adhere to the Commission's data and reporting requirements will be penalized. Please refer to the Administrative Penalties section.

#### **Evaluation**

The Commission contracts with Harder+Company Community Research to provide evaluation planning, analysis, and reporting. The Commission will continue to work with Service Providers to facilitate and maintain evaluation plans by (a) attending regular meetings relating to evaluation issues, (b) aiding in selection of outcomes, indicators, and data collection tools and forms; and (c) inputting outcomes, outputs, services, indicators and tools into the Persimmony database.

## Section 3

### *Programmatic Monitoring*

The plan for evaluating the Commission's investments is based on extensive meetings with Commission staff and Service Providers and feedback from the Commission.

Before asking participants in your program to fill out questionnaires, take part in surveys or focus groups, or provide information in other ways for your evaluation, ask them to sign an informed consent document. Note: the Commission has developed an Informed Consent form that is required to be used by Service Providers providing intensive services that are funded in alignment with the Commission Initiatives.

Standard procedures for keeping data confidential include:

- Removing names, addresses or other such information allowing ready identification of participants from paper records and replacing them with codes
- Identifying information stored electronically only by codes
- Keeping lists linking codes to participants' names or other identifying information in locked locations or password-protected electronic files to which access is strictly limited, and keeping such lists physically separated from other information on participants
- Storing completed questionnaires or other paper records under lock and key in a location where only designated project staff have access
- Keeping electronic information in password-protected, secure files
- Limiting number of users in Persimmony

Service Providers are required to complete evaluation tools and participate in evaluation meetings as identified in the SOW.

### **Reporting Requirements**

Service Providers are required to submit client level, narrative, evaluation, and aggregate reports. Service Providers must maintain headcounts and service frequencies for each deliverable as required by the SOW. The Commission allows a 10% variance from SOW target number and frequency requirements. Services falling below the 10% variance may result in penalties. Please refer to the Administrative Penalties section. All data entered into Persimmony must correspond with back-up documentation including services, dates and counts.

#### Client Level Data

Service Providers are required to submit client level data on a monthly basis via Persimmony. Demographic and service information to be provided on a client level basis includes, but is not limited to: intakes, consent forms, screening information, services, and other evaluation data and forms as identified and required by the SOW.

Client level data for each month is due the **fifth business day** following the end of the month. Please note: If the fifth business day falls on a weekend or holiday, the due date shall be the next business day.

## Section 3

### *Programmatic Monitoring*

The Commission will review all client level data (refer to the SOW for output and service information) on a monthly basis to determine contract compliance. At this time a noncompliance letter may be sent if SOW and/or reporting requirements are not met (frequencies, headcounts, services) or reflected in Persimmony.

#### Quarterly Narrative and Aggregate Reports

Service Providers are required to submit narrative and/or aggregate data on a quarterly basis. Aggregate data includes information collected on events, group activities, etc. The purpose of this reporting requirement is to ensure the Service Provider is meeting contractual obligations and the services are being completed as agreed upon.

Any report submitted to the Commission is a public document and can be reviewed by members of the public upon their request. Once reports are submitted, there are no longer opportunities for correction.

Please adhere to the following guidelines when writing narrative reports:

- Do not include any numbers (headcounts, service counts) in the narrative that are reported in Persimmony
- Keep the narrative brief and factual; word limitations are listed below
- Check reports for grammar, punctuation, overall quality and accuracy

The following information should be included in the quarterly narrative report in Persimmony:

#### *Outcomes/Impact on Clients (300 words maximum):*

- Describe the most meaningful outcomes from at least two services in the program SOW

#### *Successes (250 words maximum):*

- Describe the results of the program's quality improvement efforts
- Describe positive changes to a system as a result of the program (the system may be a family, school, school district, early intervention services, early care & education services, child welfare, a community, medical care, transitions for children and families)

#### *Challenges and Barriers (250 words maximum):*

- Describe program challenges: staff turnover, low attendance by clients, lack of staff capacity, resistance to change, etc.
- Describe challenges in the system affecting clients (the system may be a family)

The Commission will review all narrative and aggregate deliverables on a quarterly basis to determine contract compliance.



## Section 3

### Programmatic Monitoring

#### Quarterly Narrative and Aggregate Report Deadlines

Quarterly Reports	Fiscal Year Reporting Period	Due Date	How Submitted
1 <sup>st</sup> Quarter	July 1 – Sept. 30	Oct. 15	Persimmony System
2 <sup>nd</sup> Quarter	Oct. 1 – Dec. 31	Jan. 15	
3 <sup>rd</sup> Quarter	Jan. 1 – Mar. 30	Apr. 15	
4 <sup>th</sup> Quarter	Apr 1 – June 30	July 15	

Please note: If the due date falls on a weekend or holiday the due date shall be the next business day.

#### Annual Contract Review and Visits

Every contract can expect at least one comprehensive, annual contract review (ACR). The frequency of additional visits varies for each contract depending on issues identified and risk level. The Commission reserves the right to make unannounced visits.

The ACR includes a review of all administrative, fiscal, program, and evaluation backup documentation for the previous fiscal year. The purpose of the ACR is to discuss the funded program and also to verify site-level backup documentation is consistent with what has been reported to the Commission. All items referenced in the Service Provider Manual will be reviewed during the ACR.

To accomplish this in the allotted time, it is required staff responsible for fiscal, program, and data collection reporting be present to discuss policies and procedures. A checklist will be provided ahead of time to ensure all required documents are available at the time of the visit. In the case of contracts with one or more subcontractors, the ACR will occur at the lead agency location. Lead agencies are expected to have all appropriate subcontractor documentation present at the time of the ACR.

After the ACR is completed, Commission staff will issue a summary report highlighting results. Any and all issues identified during the ACR require immediate attention and resolution within 10 business days. Failure to address issues within the timeline and to the Commission's satisfaction may result in penalties. Please refer to the Administrative Penalties section.

The Commission will bear reasonable costs in connection with or resulting from its regular monitoring, evaluation, data collection, visits, annual contract reviews, inspection, or other oversight activities. If, however, the Commission determines a need to conduct further oversight activities to determine whether or not a Service Provider committed fraud, breach, or other misrepresentation related to the services or contract performance, the Service Provider will bear any and all costs incurred.

Situations requiring in an independent audit may include:

- Rescheduling an ACR appointment without valid justification
- Service Provider is unable to present the Commission with an acceptable date

## Section 3

### *Programmatic Monitoring*

- Required documents and/or staff members are not present during the ACR

#### **Documentation of Services and Record Retention**

Service Providers must maintain back-up documentation for all services required by the approved SOW document. This documentation is to be maintained on the Service Provider's site for the duration of the contract term. All client level and financial documentation must be maintained in a secure, locked storage space (i.e. filing cabinet). Documentation includes, but is not limited to: contact logs, agendas, attendance records, handouts, sign-in sheets, etc. Missing and/or incomplete documentation will result in disallowed costs.

Client/service records must be retained for four years from the date the final closeout report is submitted to the Commission or until the Commission has notified the Service Provider in writing that the audit and inspection activities are completed, whichever occurs last. During this time archived records should be stored per the following:

- To facilitate simple retrieval of documentation during the audit inspection, all records should clearly indicate on their storage container(s) the following information:
  - Agency name
  - Project name and contract number
  - Beginning and end date of the contract
  - Type/description of the records included in the container

When the four years have expired, Service Providers must destroy and eliminate all identifying information and records (i.e. shredding).

#### **Best Practices in Early Care and Education**

In order to promote high quality child care practices, all Commission funded partners providing Early Care and Education (ECE) services must be accredited or working towards accreditation by the National Association for the Education of Young Children (NAEYC) or the National Association of Family Child Care (NAFCC). Please note license exempt providers must also demonstrate the high quality standards documented by NAEYC and/or NAFCC.

#### **Capacity Building**

The Commission recognizes the importance of program monitoring, evaluation, staff development and fiscal management. In order to support Service Providers in these areas the Commission has a Capacity Building Officer who provides training and technical assistance to funded and community partners. For more information please connect with the Capacity Building Officer, Michael Duarte.

# Section 3

## Programmatic Monitoring

### Case File Standardization

Client/service files must be standardized for review by Commission staff and its auditors at any time. It is the Service Provider’s responsibility to ensure the composition of files for the program is clearly understood and maintained.

All documents/forms in the file must have authorized original signatures and/or original initials with dates where applicable.

#### Client/Services File Layout

Client Enrollment Forms	Eligibility Documentation
<ul style="list-style-type: none"> <li>• Consent form(s) as applicable:               <ul style="list-style-type: none"> <li>○ Client Consent</li> <li>○ Minor Parent Client Assent Agreement</li> <li>○ Minor Parent Client Consent</li> </ul> </li> <li>• Client intake (parent/child)</li> <li>• Provider registration</li> </ul>	<ul style="list-style-type: none"> <li>• Proof of age (i.e. birth certificate, immunization record, etc.)</li> <li>• Proof of Fresno County residency (i.e. utility bill, mail with home address, etc.)</li> <li>• Proof of providing services to children 0-5 years old and/or parents/guardians of children 0-5 years old in Fresno County (applies to provider clients)</li> </ul>
Service Logs	Service Logs (continued)
<ul style="list-style-type: none"> <li>• Family needs assessment</li> <li>• Family service plan</li> <li>• Case notes/observations per service (as applicable)</li> <li>• Correspondence, e.g. follow-up letters, contact letters</li> <li>• Referral log</li> </ul>	<ul style="list-style-type: none"> <li>• Other assessments (as applicable)</li> <li>• Screenings               <ul style="list-style-type: none"> <li>○ ASQ &amp; ASQ-SE – Information Summary Sheet (a copy of this sheet should also be provided to parents/guardians)</li> </ul> </li> </ul>

### Past Performance Review

Past performance is taken into consideration prior to any recommendation for funding. The Commission will not consider funding agencies with a history of poor performance. Past performance includes, but is not limited to: accurate and timely data reporting, attendance at mandatory trainings, collaboration with Commission and community partners, the frequency and scope of annual contract review findings, quality of services and adherence to financial requirements.

### Corrective Action Plan

A corrective action plan is developed when a Service Provider is not meeting their contractual obligations and is in breach of contract. Commission staff will require a corrective action plan resolving all issues identified within an agreed upon timeframe.



## **Section 3**

### ***Programmatic Monitoring***

Instances warranting a corrective action plan include, but are not limited to, the following:

- Underperforming and/or inaccurate reporting on outputs and services by more than 10%
- Inaccurate, incomplete and/or late program reporting
- Incorrect, incomplete and/or late fiscal invoicing and/or reporting challenges
- Specific contractual requirements outlined in the Program Services Agreement, Service Provider Manual, SOW and/or budget are not being met

Failure to meet corrective action plan requirements will result in additional penalties. Please refer to the Administrative Penalties section.

#### **Program Challenges**

It is imperative Service Providers communicate any issues and/or concerns early on so Commission staff can make necessary adjustments and document the process. Service Providers must remain in compliance as performance review is taken into consideration for contract renewal, advancements, payments, etc.

## Section 4

### *Fiscal Monitoring*

#### Fiscal Monitoring

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Fiscal Monitoring examines financial statements, records, and procedures. Service Providers are responsible for knowing the details of their contracts and pertinent codes, regulations, local, state, and federal laws that are applicable. While Commission staff provides some technical assistance, Service Providers are ultimately responsible for monitoring their contracts and expenditure levels. The Service Provider is responsible for knowing what steps are needed to ensure program compliance, and acquiring the proper expertise to manage the program's finances and avoid deficit spending. Contract budgets are monitored on a line-by-line basis. Please note, all finance forms and guidelines referenced below can be located on the Commission [website](#).

Service Providers must adhere to the following fiscal requirements:

#### **Supplanting Policy**

No Commission funds shall be used to supplant (i.e., take the place of or replace) state or local General Fund money for any purpose. This prohibition does not apply to federally funded or privately funded programs.

Please note, a complete copy of the Commission's [Supplanting](#) policy can be located on the Commission [website](#).

#### **Restricted Funds**

Commission payments given to a Service Provider are restricted funds. This means receipt and disbursement of Commission funds must be accounted for separately in the bookkeeping system and records.

Service Providers must retain receipts and other substantiating documents related to contract expenditures and make these records available for the Commission's review upon request. The Commission or a designated representative, reserves the right to audit the Service Provider's books and records relating to the expenditure of any funds provided by the Commission.

#### **Budget**

All Service Providers will prepare a detailed budget and budget narrative as part of the contracting process. The [deadlines](#) and budget forms can be located on the Commission [website](#).

The budget and budget narrative give the Service Provider the opportunity to numerically detail how the project will achieve its outcomes with Commission funds. The budget narrative details how a figure was calculated and demonstrates how the funds requested are essential to the overall success of the project.

## Section 4

### *Fiscal Monitoring*

#### Annual Fiscal Year Budgets

Budgets are to be submitted each new fiscal year to reflect all available dollars remaining in a multi-year contract or projected renewal amounts. In order to minimize payment delays, please follow these guidelines:

- Budgets must be submitted on a form approved by the Commission
- The budget should reflect all available dollars in the contract
- A narrative justification and delineation of changes must be provided
- Submission shall be made electronically to the designated Finance staff
- Fiscal year budget must be submitted on time in order to be processed and approved

Final approval will be determined 30 days after the end of the fiscal year. Notification of final approval will be sent directly to the Service Provider.

#### Budget Modifications/Amendments

Budget Modifications/Amendments, also known as a contract amendment request (CAR), must be submitted utilizing the [CAR form](#). One contract amendment/modification request is allowed per year. No retroactive budget or SOW revisions will be approved.

Commission staff will determine if the request is one of the following:

- *SOW Revision*: Any change over 10% to the original agreed upon output (client type, target number, frequency)
- *Budget Revision*: Any change to a line item exceeding \$5,000 for contracts over \$250,000 and 10% of any line item for contracts under \$250,000
- *SOW and Budget Revision*: Both criteria listed above apply
- *Formal Amendment*: Change to duration of contract (term dates), an augmentation approved by the Commission, change in agency name, the addition or deletion of program activity/provider specific services, and/or contract amount

The Commission will determine the materiality of the request. The request may require a formal contract amendment with Commission signatures or it may be accommodated with a CAR, which does not require signatures, however, ultimately requires Commission approval.

The Service Provider must submit a scanned or hard copy of the signed CAR to the designated Finance staff stating a revision is necessary. The request must meet the following criteria for approval:

- The request must be reasonable and justifiable
- The request will be reviewed to ensure it still fits the intent of what was originally funded
- Formal approval is required prior to any individual budget line item expenditures exceeding \$5,000 for contracts over \$250,000 or 10% of any line item for contracts under \$250,000



## Section 4

### *Fiscal Monitoring*

- Requests must be submitted prior to incurring expenses, allowing the Commission to determine its appropriateness and minimizing any disallowed costs to the Service Provider

Changes within budget sub-line items do not require a budget revision. The Service Provider will be notified in writing if approved or denied. If any of the information is incomplete the request will be denied. If denied, appeals can be made to the Commission.

#### **Administrative/Indirect Cost**

For the purpose of clarity, when this document refers to “indirect costs”, it is inclusive of Administrative Costs. Indirect costs refer to expenses that cannot be readily assigned to one specific program or one specific line item within a program, or those expenses that are purely administrative functions. Indirect costs for professional services will be determined by the Commission.

#### Limit to Indirect Costs

The Commission recognizes Service Providers have administrative systems unique to their agency. Accordingly, the Commission authorizes Service Providers to implement an indirect rate that does not exceed 15% of all program costs excluding capital purchases and equipment.

Note: Since the limit for indirect costs is strict, please be sure the costs reported as indirect are purely indirect in nature. The costs described below will only be allowed in the Administrative/Indirect line item, unless the Service Provider can demonstrate that they exclusively support the funded program.

- Audit, bookkeeping, payroll, finance
- Human resources
- Fiscal sponsor costs
- Insurance
- Other overhead and personnel costs (e.g. Executive Director’s time or any other staff who works minimally with the funded project)

#### **Reimbursement Payments**

Payments of invoices are contingent upon compliance with all contractual requirements, including the achievement of performance standards and the timely submission of program and fiscal reports. The Commission requires an electronic financial report, with supporting documentation, be submitted via the Persimmony system. A report will be considered “late” if it is not received in the database by 3:00 p.m. on the due date. Please refer to the Commission [website](#) for deadlines.

The reimbursement process is as follows:

- A progress report, as defined in the contract (which could be monthly, quarterly, or semi-annually), is required to be submitted by each Service Provider by certain dates

## Section 4

### *Fiscal Monitoring*

specified in the contract. In addition to the progress report, Service Providers must submit a request for reimbursement (financial report).

- The request for reimbursement (financial report) documents the Service Provider's expenses for the period, by budget line item, and also includes any disbursement amounts received and any reimbursements due (documentation is required by each Service Provider, which supports the expenditures referenced on the financial status report).
- The Finance staff reviews the Service Provider's request for reimbursement (financial report) to verify the accuracy of the report. If the report is on time and complete, it is approved and given a received date. If a report arrives incomplete it will be returned to the Service Provider requesting the missing documentation.
- The Program Officer verifies satisfactory progress has been made toward program objectives. If all program requirements have been met the Program Officer signs for approval of payment.

#### **Electronic Funds Transfer (EFT) – Automated Clearing House (ACH) Payments**

***Updated 02/21/2012***

The Commission utilizes EFT – ACH payments in lieu of issuing checks and mailing remittance.

EFT is a system of transferring money from one bank account directly to another without paper money changing hands.

ACH payment is the method of electronic remittance to individuals or entities that are made electronically within the banking system. ACH payments have many benefits. They eliminate the need to print and mail checks, ensure payees receive payments by a specific date, provide an efficient, cost effective, and payee-friendly means of making payments, are environmentally friendly due to the reduced use of paper, postage, office supplies, processing time, and storage space, and provide payees with an option to receive payment quickly.

The Commission will make all contract payments through ACH. Within 15 days of initial contract award date or submission of financial report (invoice), Service Provider must submit or have already submitted an EFT authorization form to the Commission. The form is located on the Commission's [website](#).

It is the responsibility of the Service Provider to ensure the ACH information submitted to the Commission is accurate and complete. Failure to maintain accurate and complete information may result in delayed payments.

#### **Advance Payments**

Any Service Provider seeking the release of funds prior to the commencement of work under a new contract should make such a request in writing on company letterhead, specifying the reason(s) advance funds are needed.

Approval is based on the nature of each project and contingent on the Service Provider's performance in meeting contractual requirements.

## Section 4

### *Fiscal Monitoring*

A cash advance should not exceed 50 percent of the maximum amount allowed in the fiscal year. Additional funds will not be released until 75 percent of previously released funds have been expended and reported. The final quarter advance will only be two-thirds of the advance amount. The last month of each fiscal year is on a reimbursement basis only.

If at the end of the contract period (e.g. fiscal year) the Service Provider has not utilized any portion of the funds advanced, the Service Provider shall return that amount to the Commission. If the amount is not returned, the Commission will withhold funds from the subsequent year's contract (if applicable). The Commission will make every attempt to negotiate a solution before pursuing litigation.

#### **Finance Variance Form**

The [Variance Form](#) is required to accompany the monthly or quarterly financial report when a 10% variance occurs in the year to date expenditures for the reporting period. Budget expenditures should occur as follows: 25% the 1<sup>st</sup> Quarter, 50% the 2<sup>nd</sup> Quarter, 75% the 3<sup>rd</sup> Quarter, and 100% the 4<sup>th</sup> Quarter.

#### **Program Cost Allocation Plan**

All Service Providers are required to have a Program Cost Allocation Plan (PCAP). A PCAP is a guide for non-profit organizations for assigning two or more programs the cost of an item shared by the programs. The goal is to ensure each program bears its fair share of the total cost of the item and should be tailored to fit the specific policies of each organization. Service Providers with multiple Commission funded programs must provide a PCAP for each of their funded contracts.

The PCAP includes a written account of the methods used by the grantee agency to allocate costs to its various funding sources. A written PCAP procedure should be a part of the agency's written accounting procedures. These procedures can provide an auditor with a clear description of how funds have been allocated when more than one funding source has been awarded. This section should include regulations governing cost allocation and a guide that provides principles and standards for determining costs as they apply to federal, state, and local governments.

Overall the PCAP identifies the amount of shared expenses ascribed to each program operated by a Service Provider, whether or not funded by the Commission.

Situations requiring a PCAP include:

- Costs shared between the Commission and a separate funding source
- Costs shared between two or more Commission programs
- Any combination of the above

The Commission requires any Service Provider operating multiple programs, or a program funded by multiple funding streams, to discuss a program cost allocation plan with their Certified Public Accountant.



## Section 4

### *Fiscal Monitoring*

Please refer to the Commission website for [examples of PCAPs](#).

#### **Service Provider Responsibilities with Subcontractors**

The responsibilities for lead Service Providers include:

- Submitting all subcontracts over \$5,000 to the Commission for approval
- Providing the Commission with a signed copy of the subcontract
- Submitting periodic reports in a timely manner (includes information regarding subcontractors and numbers of services)
- Ensuring documentation is sufficient to support expenditures (includes subcontractor documentation)
- Verifying the invoices submitted by subcontractors
- Understanding and monitoring services being delivered by the subcontractors
- Submitting invoices for payment in a timely manner
- Communicating to the Commission on behalf of all subcontractors
- Verifying subcontractors carry and maintain adequate insurance

Subcontractor responsibilities include:

- Submitting timely requests for reimbursement to the lead agency
- Ensuring documentation supports expenditures
- Meeting deadlines for providing information to the lead agency
- Communicating with the Commission through lead Service Provider

#### **Equipment and Capital Purchased with Commission Funds**

Equipment and capital purchased with Commission funds must be used to support children 0-5 years old and their families in Fresno County per the intent of the contractual agreement.

Equipment is defined as: non-consumable items with a purchase value of \$500 to \$4,999.99 per item or \$500 to \$4,999.99 in aggregate. For example: the purchase of five chairs. Individually a chair costs \$200.00 and the total cost of the five chairs is \$1,000.00.

Capital is defined as: non-consumable items with a purchase price of \$5,000 or more per item or \$5,000 or more in aggregate.

In order to be reimbursed for the purchase, Service Providers must submit the original invoice/receipt and packing slip with the financial report. The Commission will track and verify equipment throughout the duration of the contract.

Service Providers are required to maintain an inventory list of Commission equipment, which at minimum should include:

- Name of item
- Date of purchase
- Quantity

## Section 4

### *Fiscal Monitoring*

- Cost
- Serial number
- Location

Please contact the Commission's Operations Department for instruction on properly disposing of or returning equipment.

#### **Food Purchases**

Any foods and/or beverages purchased with Commission funds must ultimately contribute to the overall health and well being of the clients served and comply with the [United States Department of Agriculture Dietary Guidelines](#). Service Providers are encouraged to consider the cultural appropriateness of all food items purchased.

Unhealthy items purchased with Commission funds will be considered disallowed costs.

#### **Incentives and Stipends**

Incentives or stipends for clients to participate in program activities are not allowed and will be considered disallowed costs.

#### **Program Income**

Any third party, non-leveraged pay or source funds (program income) may be used at the discretion of the Commission to offset the award amount either in full or in proportionate share. Service Provider shall place and maintain Program Income in a separate cost center/fund tracked in the Service Provider's accounting system for the performance of activities as set forth in the SOW. The Service Provider shall notice the Commission pursuant to Section 6 of the contract immediately upon ascertaining the existence of Program Income. The Commission shall offset future disbursements to Provider in an amount equal to Program Income.

#### **Penalties**

Failure to adhere to the Commission's fiscal requirements will result in penalties. Please refer to the Administrative Penalties section.

Some examples of fiscal findings and possible disallowed costs are detailed below:

- Expenses exceeding an approved amount by more than 10%
- Expenses not detailed in the SOW and/or budget and not directly related to the funded project
- Late submission of reports (defined as the submission of all required documents at any time beyond 3:00 p.m. of the due date)
- Incomplete or inaccurate reports

A submission is deemed appropriate and timely when all required documents are received in full, with supporting documentation (e.g. General Ledger, Transaction Report, Budget Register,

## Section 4

### *Fiscal Monitoring*

etc.) corresponding to the invoice/report. Service Providers and their finance staff will be notified via e-mail of any discrepancies or errors that require immediate attention. Equipment purchases over \$500 must include the actual or copy of the original invoice and packing slip or receipt for reimbursement. An incomplete and unsatisfactory report is also considered “late” and will delay future payments (e.g. advances) to the Service Provider.

Any disallowed expense or penalty will be deducted from the next scheduled advance payment or progress payment/reimbursement. Disallowed expenses or penalties may also be deducted from any payments owed to the Service Provider from any other Commission contract. Please refer to the Commission website for a list of [example disallowed costs](#).

Service Providers may submit a written appeal of the penalty to the Commission or designated standing committee if there were extenuating circumstances that prohibited the timely and/or incorrect submission of the invoice, however the Commission retains the exclusive right to decide whether to waive the penalty or not. A request for appeal must be submitted to the assigned Finance staff on agency letterhead.

#### **Audit and Inspection**

Please refer to section nine of the Program Services Agreement with the Commission.

