FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY
FINANCE AND PROGRAM REVIEW COMMITTEE

DATE: Wednesday. January 17, 2024

TIME: 11:00 a.m.

Lighthouse for Children
2405 Tulare Street
Fresno, CA 93721

AGENDA

ITEM	SUBJECT	PRESENTER
1.	**CALL TO ORDER**	H. Morales, Committee Chair
2.	**POTENTIAL CONFLICTS OF INTEREST** Any Commission Member who has potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter.	H. Morales, Committee Chair
3. **Action** Pg. 1	**MINUTES FROM NOVEMBER 27, 2023 COMMITTEE MEETING**	H. Morales, Committee Chair F. González, E.D.
4. **Action** Pg. 3	**2023-2024 PROPOSED REVISED AGENCY BUDGET** Supporting Document	F. González, E.D. A. Hillis, Staff
5. **Action** Pg. 26	**ACCOUNTING POLICIES AND PROCEDURES MANUAL - ANNUAL REVIEW** Supporting Document	F. González, E.D. L. Magallanes, Staff
6. **Action** Pg. 61	**AGREEMENT RENEWAL WITH FRESNO COUNTY DEPARTMENT OF PUBLIC HEALTH - COMMUNITY HEALTH TEAMS**	F. González, E.D. H. Norman, Staff
7. **Action** Pg. 64	**AGREEMENT RENEWAL WITH ARCHER & HOUND FOR CHILD-FRIENDLY BUSINESS AWARDS MEDIA CAMPAIGN**	F. González, E.D. C.J. Hernandez, Staff
8. **Action** Pg. 66	**AGREEMENT WITH MEZA STUDIOS FOR THE GLOW! PHOTOGRAPHY AND STORYTELLING PROJECT**	F. González, E.D. C.J. Hernandez, Staff
9.	**PUBLIC COMMENT** Limit two minutes per speaker. Public Comment is also taken on individual agenda items throughout the meeting at the conclusion of each agenda item.	H. Morales, Committee Chair
10.	**ADJOURNMENT**	H. Morales, Committee Chair

NOTE: If you need disability modification(s) and/or other accommodation(s) in order to participate in this meeting, please contact the Commission office at (559) 558-4900 at least 48 hours prior to the start of the meeting. Government Code Section 54954.2(a).

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

FINANCE AND PROGRAM REVIEW COMMITTEE MEETING
January 17, 2023 – 11:00 a.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 3

RECOMMENDED ACTION:

Approve the November 27, 2023 Finance and Program Review Committee Meeting Minutes.

ACTION SUMMARY MINUTES
November 27, 2023— 2:03 p.m.

Present: Hugo Morales, Susan Holt, Sabrina Beavers

Absent: None

Staff: Fabiola González, Cindy Jurado Hernandez, Ashley Hensley, Alix Hillis, Luis Magallanes, Hannah Norman, Karen Rangel, Liliana Salcedo

1. **CALL TO ORDER**

2. **POTENTIAL CONFLICTS OF INTEREST:** Any Commission Member who has a potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter.

   None heard.

3. **MINUTES FOR OCTOBER 17, 2023 COMMITTEE MEETING**

   Public Comment: None heard.

   Motion by: Holt Second by: Beavers
   Ayes: Beavers, Holt
   Abstained: Morales
   Noes: None heard.

4. **AGENCY POLICIES AND PROCEDURES – ANNUAL REVIEW**

   Public Comment: None heard.

   Motion by: Holt Second by: Beavers
   Ayes: Beavers, Holt, Morales
   Noes: None heard.

5. AGREEMENT WITH FRESNO COUNTY SUPERINTENDENT OF SCHOOLS FOR THE HELP ME GROW FRESNO COUNTY CENTRALIZED ACCESS POINT

Public Comment: None heard.

Motion by: Holt Second by: Beavers
Ayes: Beavers, Holt, Morales
Noes: None heard.

6. AGREEMENT RENEWAL WITH FRESNO COUNTY DEPARTMENT OF SOCIAL SERVICES – NEIGHBORHOOD RESOURCE CENTERS

Public Comment: None heard.

Motion by: Holt Second by: Beavers
Ayes: Beavers, Holt, Morales
Noes: None heard.

7. PUBLIC COMMENT

Public Comment: None heard.

No action required.

8. ADJOURNMENT

Public Comment: None heard.

Motion by: Beavers Second by: Holt
Ayes: Beavers, Holt, Morales
Noes: None heard.

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

FINANCE AND PROGRAM REVIEW COMMITTEE MEETING
January 17, 2024 – 11:00 a.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 4

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: 2023-2024 Proposed Revised Agency Budget

RECOMMENDED ACTION

Approve, for full Commission consideration, the First 5 Fresno County (F5FC) 2023-2024 Proposed Revised Budget.

BACKGROUND

The agency budget implements the Commission's adopted Strategic Plan in order to fund programs, partnerships, and efforts designed to synergistically shape the systems that impact families with young children in Fresno County.

In June 2023, the Commission approved the 2023-2024 budget. The current budget revision being presented is necessary due to the completion of the fiscal year 2022-2023 audit and the subsequent designation of available fund balance to support Strategic Plan Investments.

Key Points of the 2023-2024 Proposed Revised Budget:

Fund Balance – $2,847,662

- Unassigned Fund Balance: With the completion of the 2022-2023 audit report, based on the Commission's Accounting Policies and Procedures Manual, year-end de-obligations and unspent funds are allocated to fill any gaps of existing funding in FY 2023-2024. The amount of $2.85 million is made available for awards by the Commission.

Revenues – Increase by $25,000

- Blue Meridian Partners Grant: In October 2023, the Commission approved the acceptance of further funds from the Blue Meridian Partners, administered via the Cradle to Career Partnership, to aid in the enhancement and expansion of Glow! Group Prenatal Care as the Program expands across the region.

Operating Expenses – Total Changes Net Zero

- Insurance Expense: Increase due to a higher premiums for the Commission's three Insurance plans, in line with nation-wide trends for insurance plans.

- Professional Services Expense: Decrease due to analysis of prior fiscal year's usage of this line item.

Program Allocations (Strategic Plan Investment Areas) – Increase by $2.37 million

- Increases made to these investments are due to the available Assigned Fund Balance which allows the Commission to invest in multi-year contracts. The Strategic Plan identifies the Commission's priorities and approaches to community investments. All known adjustments in funding have been identified in the cost analysis and justification section.

Operations Contingency Fund– Increase by $500,000

- The Commission's Accounting Policies and Procedures Manual states,

  "The balance of the [Contingency] fund represents approximately four (4) to six (6) months of both the Commission's operational budget and the operation costs of the LFC facility.

  Commission staff assessed this formula and, due to increased costs since the original drafting of the Contingency Fund Target Level, propose to update the Fund. This increase is allowable within the fund balance available.

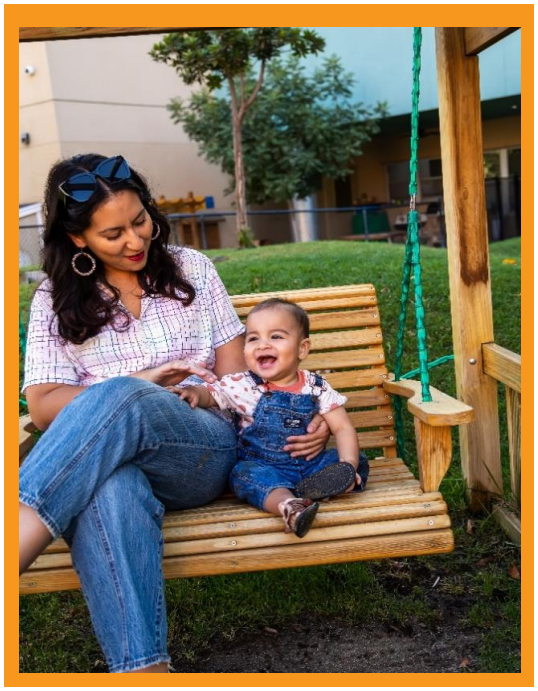
Fiscal Impact: Approval of the 2023-2024 Proposed Revised Budget will provide an updated financial framework to allocate funds and cover operational costs for the Commission.

CONCLUSION:

The mid-year revision to the agency budget accounts for unanticipated revenue and cost savings from the prior year offering the Commission the opportunity to allocate funding for the Programmatic Investments of the Strategic Plan through fiscal year 2023-2024. Upon approval, staff will forward, for full Commission consideration, the 2023-2024 Proposed Revised Agency Budget.

2023-2024

PROPOSED REVISED BUDGET



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REVENUES & FUND BALANCE

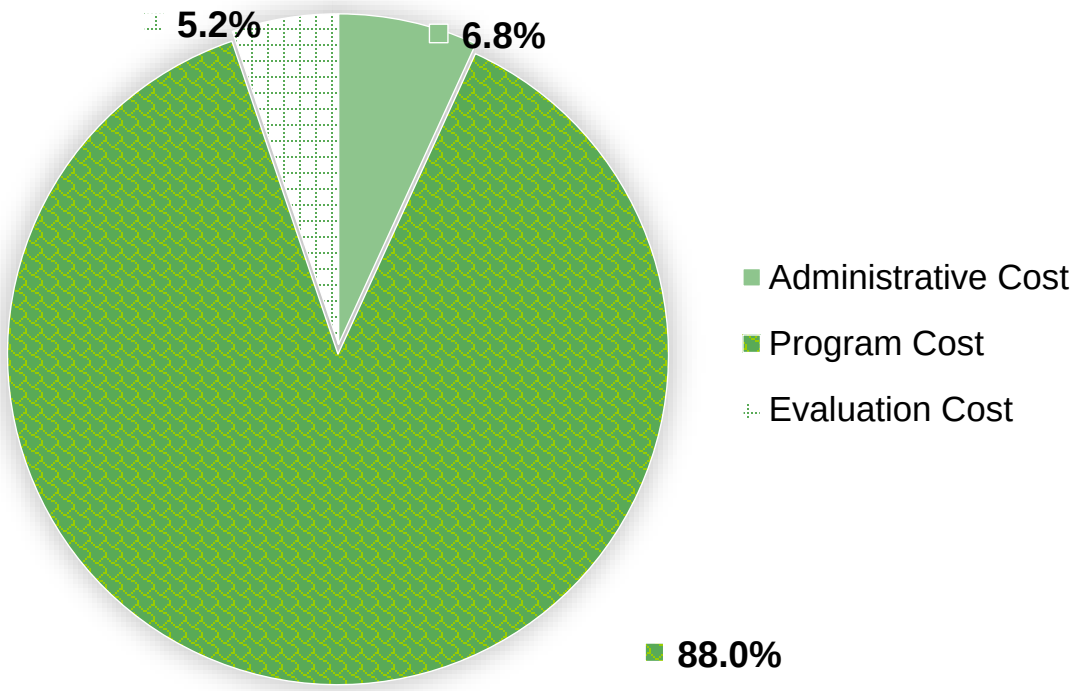
	Approved Budget	Proposed Revised Budget
TOTAL REVENUE BUDGET	$8,199,396	$8,224,396
Proposition 10 Revenue	**$7,068,509**	**$7,068,509**
The State collects the state tobacco tax revenue and distributes each proportionate share to the 58 California counties based on birth-rate, in accordance with the Children and Families Act of 1998. This also includes Back-fill from Proposition 56, the California Electronic Cigarette Excise Tax and any other-related revenue received.		
External Revenue	**$840,628**	**$865,628**
First 5 CA IMPACT Revenue	**$613,164**	**$613,164**
These funds allow First 5 Fresno County (F5FC) to serve as the Lead Fiscal Agency and the Regional Hub Lead for the IMPACT Legacy project and partner with other counties in the Central Valley Region to provide ongoing coordination and targeted support to neighboring counties working to raise the quality of early care and education in their communities to ensure children have the skills, knowledge, and disposition necessary to be ready for school and life.		
First 5 CA Refugee Family Support Grant	**$93,622**	**$93,622**
These funds were awarded by the First 5 California for First 5 Fresno County to be the fiscal lead agency for the new created Refugee Family Support project. First 5 Fresno County (F5FC) will subcontract with refugee family serving agencies and community partners to support refugee children and their families transition to life within seven Central California counties.		
Blue Meridian Partners - Early Childhood Human Capital Investment	**$0**	**$25,000**
The Commission was awarded funds from the Blue Meridian Partners in collaboration with the Fresno Cradle to Career Partnership to further the enhancement of preconception to age 5 initiatives with the intent to invest in human capital in the Central Valley.. The dollars received by the Commissioin are set aside for the Glow! Group Prenatal Care Project.		
County DPH Babies First - Healthy Start Revenue	**$117,000**	**$117,000**
The Fresno County Department of Public Health (DPH) received multi-year funding from the U.S. Department of Health & Human Services to provide group prenatal care services as part of an integrated prenatal care system including curriculum and wrap-around services, in partnership with medical provider offices, to enhance supports for pregnant women. Due to the direct alignment with this grant and Glow!, DPH entered into a partnership with the Commission to support the current Glow! Group Prenatal Care and Support program.		
Glow! - First 5 Merced County Expansion Grant	**$12,275**	**$12,275**
To ensure a successful expansion of Glow!, the group prenatal care program, into surrounding counties, our staff will provide coaching on program coordination, program facilitation and technical assistance to other Central Valley First 5 Commissions.		
Glow! - First 5 Kern County Expansion Grant	**$4,567**	**$4,567**
To ensure a successful expansion of Glow!, the group prenatal care program, into surrounding counties, our staff will provide coaching on program coordination, program facilitation and technical assistance to other Central Valley First 5 Commissions.		
Other Revenue	**$131,700**	**$131,700**
This includes rents collected from Lighthouse for Children (LFC) tenants (approximately $10,700/month) used to offset operating costs, minimal revenue from use of conference space at the building by external partners at the LFC facility, and other outside revenue not captured above.		
Interest Revenue - County Treasury	**$133,559**	**$133,559**
Interest collected from the Proposition 10 funds held on deposit in the County of Fresno's Treasury account.		
Investment Earnings	**$25,000**	**$25,000**
Anticipated inrealized, net investment income (interest, dividends, gains, and losses) from F5FC investments managed by the Commission's Investment firm for future program allocation.		
FUND BALANCE	$0	$2,847,662
Unassigned Fund Balance	**$0**	**$2,847,662**
The Contingency and Strategic Reserves are deobligated at year-end each year and then reassigned with the start of the new fiscal year, as stated in the agency's Accounting Policies and Procedures Manual. This amount represents that amount and any funds not assigned, but available for use.		

FIRST 5 FRESNO COUNTY

FY 2023-2024 BUDGET ACTIVITY SUMMARY

Based on its strategic plan, First 5 Fresno County invests in three areas: Families, Communities, and Systems through established strategies: Communication, Advocacy, Collaboration, Skill-building, and Innovation & Learning.

The breakdown of expenses by cost category, as outlined in the Cost Analysis portion of this budget, is as follows:



Line Items	%	Budget Amounts
Administrative Cost	6.8%	$703,569
Program Cost	88.0%	$9,069,766
Evaluation Cost	5.2%	$536,163
	100%	**$10,309,498**

FIRST 5 FRESNO COUNTY
2023-2024 PROPOSED REVISED BUDGET SUMMARY

	2023-2024 Approved Original Budget	2023-2024 Proposed Revised Budget	Variance
Revenue			
Proposition 10 Revenue	$7,068,509	$7,068,509	*$0*
External Revenue			
First 5 CA IMPACT	$613,164	$613,164	*$0*
First 5 CA Refugee Family Support Grant	$93,622	$93,622	*$0*
Blue Meridian Partners - Early Childhood Human Capital Investment	$0	$25,000	*$25,000*
County DPH - Babies First Healthy Start Glow! Revenue	$117,000	$117,000	*$0*
First 5 Merced County - Glow! Expansion Grant	$12,275	$12,275	*$0*
First 5 Kern County - Glow! Expansion Grant	$4,567	$4,567	*$0*
Other Revenue	$131,700	$131,700	*$0*
Interest Revenue - County Treasury	$133,559	$133,559	*$0*
Investment Earnings (Unrealized)	$25,000	$25,000	*$0*
Total Revenue	**$8,199,396**	**$8,224,396**	***$25,000***
Operating Expenses			
Salaries & Benefits			
Salary Expense	$734,650	$734,650	*$0*
Payroll Tax Expense	$70,589	$70,589	*$0*
Retirement Expense	$64,208	$64,208	*$0*
Employee Benefits Expense	$264,510	$259,707	*($4,803)*
Worker's Compensation Expense	$6,208	$6,208	*$0*
Total Salaries & Benefits Expenses	**$1,140,165**	**$1,135,361**	***($4,802)***
Services & Supplies			
Audit Expense	$23,920	$26,000	*$2,080*
Capital Equipment Expense	$20,500	$20,500	*$0*
Commissioner/Advisory Expense	$3,200	$3,200	*$0*
Dues & Subscriptions Expense	$34,338	$33,114	*($1,224)*
Equipment Rental/Maintenance Expense	$48,070	$47,974	*($96)*
General & Administrative Expense	$19,470	$14,994	*($4,476)*
Insurance Expense	$151,945	$167,795	*$15,850*
Local Travel Expense - Local Mileage	$3,500	$3,500	*$0*
Materials & Supplies Expense	$8,600	$8,600	*$0*
Overhead Expense	$92,000	$92,000	*$0*
Professional Services Expense	$93,184	$82,854	*($10,330)*
Program Development/Strategic Planning Expense	$5,000	$5,000	*$0*
Staff Training & Conference Expense	$20,000	$20,000	*$0*
Telephone Expense	$24,224	$27,224	*$3,000*
Total Services & Supplies Expenses	**$547,951**	**$552,754**	***$4,803***
Total Operating Expenses	**$1,688,116**	**$1,688,116**	***$0***

FIRST 5 FRESNO COUNTY
2023-2024 PROPOSED REVISED BUDGET SUMMARY

	2023-2024 Approved Original Budget	2023-2024 Proposed Revised Budget	Variance
Strategic Plan Investment Areas			
Strategic Plan Investments			
Help Me Grow Fresno County	$350,000	$475,000	*$125,000*
Thriving Families Service Programs	$815,000	$2,133,606	*$1,318,606*
Community Learning Center	$360,510	$482,878	*$122,368*
Patient-Centered Prenatal Care	$182,665	$472,898	*$290,233*
African American Infant Mortality Prevention	$1,044,130	$1,359,368	*$315,238*
QRIS - Local High Quality Training & Technical Assistance	$1,997,847	$1,997,847	*$0*
Innovation & Learning Partnerships and Communications	$470,500	$616,718	*$146,218*
Strategic Plan Investments Total	**$5,220,652**	**$7,538,315**	***$2,317,663***
Accountability and Evaluation			
Accountability Contract Management System	$150,000	$150,000	*$0*
Evaluation Services	$300,000	$355,000	*$55,000*
Accountability and Evaluation Total	**$450,000**	**$505,000**	***$55,000***
Externally Funded Programs			
First 5 California - IMPACT Grant	$613,164	$613,164	*$0*
First 5 California - Refugee Family Support Grant	$93,622	$93,622	*$0*
County DPH - Glow! Enhancement Grant	$117,000	$117,000	*$0*
First 5 Merced County - Glow! Expansion Grant	$12,275	$12,275	*$0*
First 5 Kern County - Glow! Expansion Grant	$4,567	$4,567	*$0*
Total Externally Funded Programs	**$840,628**	**$840,628**	***$0***
Total Strategic Plan Investment Areas	**$6,511,280**	**$8,883,943**	***$2,372,663***
Reserve			
Operations Contingency Fund	$1,000,000	$1,500,000	***$500,000***
Strategic Reserve Fund	$2,000,000	$2,000,000	***$0***
Budget Revise - Fund Balance			
Assigned Fund Balance for Operations Contingency & Strategic Reserve	$3,000,000	$3,000,000	*$0*
Unassigned Fund Balance*	$0	$2,847,662	*$2,847,662*
	$3,000,000	**$5,847,662**	***$2,847,662***

*Added January 2024: With the Audit Report for period ending June 30, 2023 completed, the Fund Balance amount for the 2023-2024 fiscal year is included showing dollars available to be assigned to Strategic Plan Investment Areas of the Commission.

Budget Summary			
Total First 5 Fresno County Budget	**$11,199,396**	**$14,072,059**	***$2,872,663***

Budget Revise Summary

FY23-24 Budgeted Revenue	$8,199,396	$8,224,396	***$25,000***
FY 23-24 Budgeted Expenses	$11,199,396	$14,072,058	***$2,872,662***
Assigned for Strategic Reserve	$3,000,000	$3,000,000	***$0***
	$22,398,792	**$25,296,455**	***$2,897,662***
Unassigned Fund Balance*	$0	$2,847,662	***$2,847,662***
	$0	**$0**	**($0)**

COST ANALYSIS

BUDGET LINE ITEM DETAIL

OPERATING EXPENSES

Salary Expense

2023-2024 Proposed Revised Budget

Original Justification: $734,650

Salaries for a total of 8.3 FTE operating positions for the administration of Commission business. Salary expense for 2.7 additional program staff FTE (shown below in grey) are presented under the Strategic Plan Investments (0.7 FTE) and the Externally Funded Programs (2 FTE) accounted for in the Strategic Plan Investments portion of the budget for a total of 11 FTE. All vacant positions are captured within this budget document. If the Commission requires additional or different staffing, this would be noted in the budget revision that occurs mid-year. Any salary increases are budgeted, recommended by supervisors, and are based on First 5 Fresno County's Employee Compensation Policy. Potential salary increase amounts are based on number of staff eligible and annual performance reviews. Additionally, the budgeted amount includes compensated absences, the liability of employee banked Personal Time Off (PTO), potential overtime budget, and a portion for potential future salary increases are included here.

Original FTE			Original Budget		Revised Budget		Revised FTE	
Operating FTE	Program FTE	Position	Operating Budget	Program Budget	Operating Budget	Program Budget	Operating FTE	Program FTE
1	0	Executive Director	$137,500	$0	$137,500	$0	1.00	0.00
0.9	0.1	Director	$84,310	$9,368	$86,182	$9,576	0.90	0.10
0.85	0.15	Director	$75,327	$13,293	$77,095	$13,605	0.85	0.15
0.75	0.25	Manager	$57,005	$19,002	$58,565	$19,522	0.75	0.25
0.6	0.40	Manager	$42,532	$28,355	$51,077	$21,890	0.70	0.30
0.0	1.00	Manager	$0	$70,349	$0	$72,429	0.00	1.00
0.4	0.6	Manager	$26,617	$39,926	$20,587	$48,036	0.30	0.70
0.9	0.1	Manager	$59,889	$6,654	$61,761	$6,862	0.90	0.10
0.9	0.1	Manager	$59,889	$6,654	$61,761	$6,862	0.90	0.10
1.0	0	Manager	$65,750	$0	$67,830	$0	1.00	0.00
1	0	Manager/ Specialist - Vacant	$65,750	$0	$66,560	$0	1.00	0.00
8.30	2.70		**$674,570**	**$193,601**	**$688,918**	**$198,782** **	8.3	2.7
		Salaries Total	$674,570		$688,918			
		Compensated Absences & Salary Increase	$60,080		$45,732			
		Total Operating	**$734,650**		**$734,650**			

Original Amount	Revised Amount	Variance
734,650	734,650	0

Revised Justification: Changes to this line item include salary adjustments resulting from an increase in state minimum wage as of the first of the calendar year. Total FTE remains at 11 with 8.7 FTE categorized as operating and the remaining 2.7 FTE as programmatic salaries outlined in the program portion of this budget.

While some positions approved within the Commission structure are not /may not be reflected in the current budget, the use of these approved position levels are based on the need within the Commission's evolving work. This budget does not include two of those position levels (italicized). Future budget iterations and Commission needs may consider unused position levels.

Positions: Executive Director | *Deputy Director* | Project Director | Project Manager | Project Specialist | *Project Assistant*

****Represents the total amount of salaries for program staff, funded by external revenue or program dollars only.**

Total Evaluation Expense	734,650	x	2%	**14,693**
Total Program Expense	734,650	x	61%	**448,136**
Total Administration Expense	734,650	x	37%	**271,820**

COST ANALYSIS

BUDGET LINE ITEM DETAIL

Payroll Tax Expense

2023-2024 Proposed Revised Budget

Original Justification: $70,589

A. Federal Unemployment Tax Act (FUTA). Estimated 6% on first $7,000 earned by each employee at 8.3 FTE. The remaining 2.7 FTE is accounted for in Externally Funded Programs and in Strategic Plan Investments (captured in the program portion of the budget) to total 11 FTE.

FTE	8.3	x	$7,000	x	6%	=	**$3,486**

B. Medicare Employer Tax. The employer's share is set by the federal government at 1.45% of each gross salary.

$734,650	x	1.45%	=	**$10,652**

C. Social Security Employer Tax. The employer's share is set by the federal government at 6.2% of each gross salary.

$734,650	x	6.2%	=	**$45,548**

D. CA State Unemployment Insurance - Estimated 6.2% on first $7,000 earned by each employee at 8.3 FTE. The remaining 2.7 FTE is accounted for in Externally Funded Programs and Strategic Plan Investments (captured in the program portion of the budget) to total 11 FTE. (Rates subject to change)

FTE	8.3	x	$7,000	x	6.2%	=	**$3,602**

Other Taxes/ Unexpected Expense	$7,300
Total	**$70,589**

Original Amount	Revised Amount	Variance
70,589	**70,589**	**0**

Revised Justification: No changes to this line item.

Total Evaluation Expense	70,589	x	2%	**1,412**
Total Program Expense	70,589	x	61%	**43,059**
Total Administration Expense	70,589	x	37%	**26,118**

Retirement Expense

2023-2024 Proposed Revised Budget

Original Justification: $64,208

The cost of retirement benefits for full-time, permanent employees is calculated at 8.74% of each gross salary.

$734,650	x	8.74%	=	$64,208
Salaries Amount		Percentage		Total Amount
$734,650	x	8.74%	=	$64,208
Revised Salaries Amount		**Percentage**		**Total Amount**

Original Amount	Revised Amount	Variance
64,208	**64,208**	**0**

Revised Justification: No changes to this line item.

Total Evaluation Expense	64,208	x	2%	**1,284**
Total Program Expense	64,208	x	61%	**39,167**
Total Administration Expense	64,208	x	37%	**23,757**

COST ANALYSIS

BUDGET LINE ITEM DETAIL

Employee Benefits Expense	2023-2024 Proposed Revised Budget
Original Justification: The Commission's contracted insurance benefits broker recommended a conservative 10% increase to the projected actuals assuming no large plan changes are made. The calculation shows the cost breakdown and includes the deduction of the benefits expense for Externally Funded program staff. Benefits for full time, permanent staff include dental, life, medical, and vision insurance and a health savings account and health reimbursement account. This line item also includes the auto allowance, up to $400/month, for the Executive Director for the wear-and-tear and other travel-related expenses of their personal vehicle for business use in lieu of mileage reimbursement based on the County of Fresno's policy of use.	$259,707

$231,370	x	10%	+	$5,200	=	**$259,707**
FY 2022-23 Actuals		**Rate Increase**		**Auto Allowance**		**Budget Amount**

Original Amount	Revised Amount	Variance
242,550	259,707	17.157

Revised Justification: A slight increase is anticipated to this line item with new benefits plans beginning at the first of the calendar year and insurance coverage costs increasing nation-wide.

Total Evaluation Expense	259,707	x	2%	**5,194**
Total Program Expense	259,707	x	61%	**158,421**
Total Administration Expense	259,707	x	37%	**96,092**

COST ANALYSIS

BUDGET LINE ITEM DETAIL

Worker's Compensation Expense

2023-2024 Proposed Revised Budget

Original Justification: $6,208

The budgeted amount for worker's compensation is based on the prior year amount provided by the Commission's contracted insurance firm which defines staff within the salesman category for contract managers' responsibility to execute county-wide site visits and in-person annual contract reviews. The Commission's insurance firm included a conservative increase of 10% to the prior full-year actual amount each fiscal year in their estimate.

$5,644	x	10%	=	$6,208
FY22-23 Premium		**Est. Annual Rate Increase**		**Budgeted Amount**

Original Amount	Revised Amount	Variance
6,208	**6,208**	**0**

Revised Justification: No change to this line item.

Total Evaluation Expense	6,208	x	2%	**124**
Total Program Expense	6,208	x	61%	**3,787**
Total Administration Expense	6,208	x	37%	**2,297**

Audit Expense

2023-2024 Proposed Revised Budget

Original Justification: $26,000

Expenses for mandatory independent audit services for the Commission are projected to be $23,920 for the fiscal year. The estimate is based on the proposal provided by the contracted auditing firm in their awarded submission resulting from the Commission's Request for Quotations procurement in 2020 for auditing services.

Original Amount	Revised Amount	Variance
23,920	**26,000**	**2,080**

Revised Justification: An increase to this line item is recommended as the Commission anticipates needing to reprocure for these services.

Total Evaluation Expense	26,000	x	0%	**0**
Total Program Expense	26,000	x	0%	**0**
Total Administration Expense	26,000	x	100%	**26,000**

Capital Equipment Expense

2023-2024 Proposed Revised Budget

Original Justification: $20,500

Currently, the Commission owns 13 staff workstations (computer, monitor, printer, keyboard, etc.). Staff recommends setting aside $12,000 for possible replacement of six computers (estimated at $2,000 per computer with taxes included) that are reaching their useful life, $5,000 to replace an aging server and an additional $3,500 for unforeseen replacement or repairs of other equipment and/or furniture.

Original Amount	Revised Amount	Variance
20,500	**20,500**	**0**

Revised Justification: No change to this line item.

Total Evaluation Expense	20,500	x	2%	**410**
Total Program Expense	20,500	x	61%	**12,505**
Total Administration Expense	20,500	x	37%	**7,585**

COST ANALYSIS

BUDGET LINE ITEM DETAIL

Commissioner/Advisory Expense

2023-2024 Proposed Revised Budget

Original Justification: $3,200

This line item is budgeted for a maximum of seven Commissioners for potential meeting-related equipment or expenses, trainings/workshops, meeting-related, etc., associated with the agency's business. Examples include but are not limited to the F5 State Annual Conference attendance, mileage reimbursement, etc. The estimated annual amount is budgeted at $300 per Commissioner, maximum seven.

$1,100	+	7	x	$300	=	**$3,200**
Misc. Expense		**Commissioners**		**Average Cost**		**Annual Amount**

Original Amount	Revised Amount	Variance
3,200	**3,200**	**0**

Revised Justification: No change to this line item.

Total Evaluation Expense	3,200	x	0%	**0**
Total Program Expense	3,200	x	0%	**0**
Total Administration Expense	3,200	x	100%	**3,200**

Dues and Subscriptions Expense

2023-2024 Proposed Revised Budget

Original Justification: $33,114

The cost associated with dues and subscriptions for the twelve-month period comprises required dues to the First 5 Association and the First 5 Association Policy Fund (each county pays a proportionate share of the cost of maintaining the Association) plus the allotment of $5,000 for the cost of miscellaneous subscriptions, publications, and dues (i.e. Government Finance Officers Association, Fresno Bee, Zoom Meetings, etc.).

	Original Budget		Revised Budget
FY 22-23 F5 Assoc. Dues	$26,671		
Potential F5 Assoc. Dues Increase (10%)	$2,667	FY 23-24 F5 Assoc. Dues	$27,114
Miscellaneous Subscriptions	$5,000	Miscellaneous Subscriptions	$6,000
Total	**$34,338**	**Total**	**$33,114**

Original Amount	Revised Amount	Variance
34,338	**33,114**	**(1,224)**

Revised Justification: Small decrease to this line item after incorporating dues for the First 5 Association that were paid at the start of the fiscal year.

Total Evaluation Expense	33,114	x	2%	**662**
Total Program Expense	33,114	x	61%	**20,200**
Total Administration Expense	33,114	x	37%	**12,252**

COST ANALYSIS

BUDGET LINE ITEM DETAIL

Equipment Rental/Maintenance Expense

2023-2024 Proposed Revised Budget

Original Justification: $50,070

Equipment Maintenance: The Commission's equipment maintenance for their copier/scanner. The estimated cost breakdown is:

Monthly				Annual Total		
$405	x	12	=	$4,860	Copier/Scanner Maintenance	$4,860
					Equipment Maintenance Sub-total	**$4,860**

Computer & Information Technology Maintenance: The Commission contracts out Information Technology (IT) support for workstation/desktop management, server management, anti-virus software, support for Adobe products and supports and deploys hosted email and storage via Office 365.

Monthly				Annual Total		
$1,825	x	12	=	$21,900	IT Support	$21,900
$100	x	12	=	$1,200	Hosted Email & Storage	$1,200
					Adobe	$360
					Computer Maintenance Sub-total	**$23,460**

Software Maintenance: Monthly and annual estimated costs for each software type as quoted by the Commission's IT contractor or are based on actuals from the prior budget year. The Commission pays a flat rate for its accounting system software on an annual basis of $14,750. Lastly, staff recommends allocating $5,000 for unforeseen costs associated with this line.

Accounting System Maintenance	$14,750
Software Sub-total	**$14,750**
Unforeseen Expense	$7,000
Equipment Rental/ Maintenance Expense Total	**$50,070**

Original Amount	Revised Amount	Variance
48,070	50,070	(2,000)

Revised Justification: No changes to this line item.

Total Evaluation Expense	50,070	x	2%	**1,001**
Total Program Expense	50,070	x	61%	**30,543**
Total Administration Expense	50,070	x	37%	**18,526**

General and Administrative Expense

2023-2024 Proposed Revised Budget

Original Justification: $14,994

Costs associated with management, finances, and other expenses which are incurred by or allocated to the Commission for general management and administration of the Commission that cannot be assigned to a specific line item. Costs include bank charges, operational advertising costs, dependent care plan, etc. Bank charges average $1,000 per month. This expense line item is based on prior year expenses.

					Revised Budget Amount
FY 22-23 Actuals	$12,815	+	17%	=	$14,994

Original Amount	Revised Amount	Variance
19,470	14,994	(4,476)

Revised Justification: Slight decrease to this line item based on the FY2022-2023 actuals.

Total Evaluation Expense	14,994	x	0%	**0**
Total Program Expense	14,994	x	0%	**0**
Total Administration Expense	14,994	x	100%	**14,994**

COST ANALYSIS

BUDGET LINE ITEM DETAIL

Insurance Expense

2023-2024 Proposed Revised Budget

$167,795

Original Justification:

The Commission is required to carry liability insurance, types described below. Insurance costs typically increase year-over-year; therefore, staff is recommending the following based on actuals from the prior year and on the maximum estimated increases provided by brokers.

	Original Budget	Revised Budget
Special Property Insurance Policy	$ 140,099	$ 155,579
Special Liability Insurance Policy	$ 8,926	$ 9,113
Cyber Crime Insurance	$ 2,920	$ 3,103
Total	**$ 151,945**	**$ 167,795**

Original Amount	Revised Amount	Variance
151,945	**167,795**	**15,850**

Revised Justification: The increase to this line item is due to nation-wide insurance cost increases. The increase is being balanced by reducing other operating line items.

Total Evaluation Expense	167,795	x	2%	**3,356**
Total Program Expense	167,795	x	61%	**102,355**
Total Administration Expense	167,795	x	37%	**62,084**

Local Travel Expense - Local Mileage

2023-2024 Proposed Revised Budget

$3,500

Original Justification:

Annually, Commission Staff or contract managers are required to administer Annual Contract Reviews to all funded Service Providers which may require traveling locally on behalf of the Commission throughout Fresno County. Additionally, staff occasionally travels for the Commission for various reasons including off-site technical assistance to Service Providers and various Community Partner convenings. Estimated costs are projected based on past expense trends. Currently, the IRS mileage rate is 65.5¢ per mile.

Original Amount	Revised Amount	Variance
3,500	**3,500**	**0**

Revised Justification: No changes to this line item.

Total Evaluation Expense	3,500	x	2%	**70**
Total Program Expense	3,500	x	61%	**2,135**
Total Administration Expense	3,500	x	37%	**1,295**

Materials and Supplies Expense

2023-2024 Proposed Revised Budget

$8,600

Original Justification:

This line item includes costs associated with general office supplies, postage costs, in-house and outside printing, and other expenses required for operating the Commission's business. Cost break down includes $300 per month x 12 months for a total of $3,600 per year. Staff recommends setting aside an additional $5,000 for any unexpected materials costs, such as mandatory document printing, signage, etc.

Original Amount	Revised Amount	Variance
8,600	**8,600**	**0**

Revised Justification: No changes to this line item.

Total Evaluation Expense	8,600	x	2%	**172**
Total Program Expense	8,600	x	61%	**5,246**
Total Administration Expense	8,600	x	37%	**3,182**

COST ANALYSIS

BUDGET LINE ITEM DETAIL

Overhead Expense

2023-2024 Proposed Revised Budget

Original Justification: $92,000

The Commission occupies 15% of the leasable space within the Lighthouse for Children facility and so is responsible to pay its proportionate share of the overhead costs. Overhead costs include utilities (water, waste, gas & electricity, etc.), facility contracted services (security, janitorial, landscaping, etc.), insurance and taxes and a facility management services contract. The remaining amount for the facility is budgeted within the Strategic Plan Investments for the Child Development Center and Community Learning Center.

Original Amount	Revised Amount	Variance
92,000	**92,000**	**0**

Revised Justification: No changes to this line item.

Total Evaluation Expense	92,000	x	2%	**1,840**
Total Program Expense	92,000	x	61%	**56,120**
Total Administration Expense	92,000	x	37%	**34,040**

Professional Services Expense

2023-2024 Proposed Revised Budget

Original Justification: $82,854

The Commission utilizes this line item to obtain a specific technical or unique function performed by independent contractors or consultants whose occupations are not fulfilled by Commission staff. Examples of professional services include attorneys, business consultants, business development managers, law firms, human resources, payroll services, investment custodial services and other specialized administrative roles. Budget amounts are based on past trends, average monthly rates and quotes multiplied by 12 months. Staff recommends including $20,000 for other miscellaneous professional services to include services for consultants, translators (services when needed), administrative cost for health savings accounts (average cost per month = $125), human resources coaching and other short-term consultants.

	Original Budget	Monthly		Revised Budget Addt'l Services		
Legal Services	$41,000	$1,810	x 12 =	$21,720	+ $11,000 =	$32,720
H.R. Services	$9,800	$400	x 12 =	$4,800	+ $3,000 =	$7,800
Investment Services	$11,880	$990	x 12 =	$11,880	=	$11,880
Custodial Services	$3,500	$292	x 12 =	$3,500	=	$3,500
Payroll Services	$7,004	$167	x 12 =	$2,004	+ $5,000 =	$7,004
Misc. Professional Services	$20,000					$19,950
Professional Services Total	**$93,184**					**$82,854**

Original Amount	Revised Amount	Variance
93,184	**82,854**	**(10,330)**

Revised Justification: After a review of FY 2022-2023 actuals, this line item is being reduced.

Total Evaluation Expense	82,854	x	0%	**0**
Total Program Expense	82,854	x	0%	**0**
Total Administration Expense	82,854	x	100%	**82,854**

Program Development Expense/Strategic Planning Implementation

2023-2024 Proposed Revised Budget

Original Justification: $5,000

This line item exists for additional or unforeseen costs for program development, the implementation of the Strategic Plan, and/or printing materials to showcase the Commission's Strategic Plan. Staff recommends budgeting $5,000.

Original Amount	Revised Amount	Variance
5,000	**5,000**	**0**

Revised Justification: No changes to this line item.

Total Evaluation Expense	5,000	x	0%	**0**
Total Program Expense	5,000	x	100%	**5,000**
Total Administration Expense	5,000	x	0%	**0**

COST ANALYSIS
BUDGET LINE ITEM DETAIL

Staff Training, Travel & Conference Expense

2023-2024 Proposed Revised Budget

Original Justification: $20,000

Estimated cost for Commission staff to attend local and out of town trainings/conferences on behalf of the Commission. All trainings & conferences attended are required to be aligned with the Strategic Plan per the Commission's Travel Policy and Procedures Manual. Trainings/conferences include, but are not limited to, collaborative meetings, the First 5 State annual conference, First 5 Association quarterly meetings and summits, annual planning days, Government Finance Officer Association trainings, Early Care & Education meetings/conferences, legislative visits, State Conferences, etc. Average cost of travel for one staff on one trip is $200 which includes transportation, lodging, registration, per diem, etc. With the relaxation of pandemic protocols and travel restrictions, travel has increased.

Original Amount	Revised Amount	Variance
20,000	**20,000**	**0**

Revised Justification: No changes to this line item.

Total Evaluation Expense	20,000	x	2%	**400**
Total Program Expense	20,000	x	61%	**12,200**
Total Administration Expense	20,000	x	37%	**7,400**

Telephone Expense

2023-2024 Proposed Revised Budget

Original Justification: $27,224

Telephone expenses include the Commission's phone landlines and data lines (internet) for accessibility all to aid in the operations of the agency. That monthly cost is now included in the calculations below. Staff recommends $2,000 for unforeseen expenses.

	Monthly Amount				Annual Amount
Landlines & Data lines	$1,852	x	12	=	$22,224
Unforeseen Phone Expenses					$5,000
			Telephone Expense Total		**$27,224**

Original Amount	Revised Amount	Variance
27,224	**27,224**	**0**

Revised Justification: No changes to this line item.

Total Evaluation Expense	27,224	x	2%	**544**
Total Program Expense	27,224	x	61%	**16,607**
Total Administration Expense	27,224	x	37%	**10,073**

STRATEGIC PLAN INVESTMENT AREAS

Strategic Plan Investments

2023-2024 Proposed Revised Budget

Help Me Grow Fresno County

Original Justification: Help Me Grow Fresno County is a nationally utilized model of doing collaborative work for young children that promotes collaboration across sectors to build a more efficient and effective system for young children and their families. Locally, it is called Help Me Grow Fresno County (HMGFC). This is the over-arching investment that binds all our work together and this investment area can also be referred to as the early childhood system of care. Acting as convener and connector, the Commission brings the community and stakeholders together in support of changing the way our systems work for better outcomes for our children. A successful approach to addressing the key challenges facing Fresno County families requires systemic change.

The amount allocated is for the future of this investment to continue to build on the early childhood system of care work that is already taking place. Recent developments have included conversations regionally with surrounding First 5s to explore a regional approach to the Help Me Grow Model. With this exciting potential to create a more seamless system to connect young-child-facing services and those providing services, the Commission has set aside funds to invest in the future of this model beyond just a local iteration of the model.

Help Me Grow Fresno County $475,000

Original Amount	Revised Amount	Variance
350,000	**475,000**	**125,000**

Revised Justification: The proposed increase to this line item will allow for the Commission to engage in a regional approach to the Help Me Grow Model. This amount also includes dollars to evaluate Help Me Grow Fresno County and other initiatives that aid in connections to the connected system that serves our families that may enhance the HMGFC model.

COST ANALYSIS
BUDGET LINE ITEM DETAIL

Strategic Plan Investments Cont'd

2023-2024 Proposed Revised Budget

Thriving Families Service Programs

Original Justification: This long-standing area of investment is a compilation of community- based partnerships that provide direct support to families across the county. Under this area, contracts with local Community-Based Organizations and grassroots entities, the Commission remains committed to funding a navigable, effective, and culturally responsive network of direct services to fill gaps in the early childhood system of care. In May 2023, the Commission awarded 20 organizations* contracts which were the results of the Thriving Families RFP. The funds for those contracts were committed from the prior budget in order to secure multi-year funding for these partners, a best practice in grant making. **The variance, in the Budget Summary, compared to the prior year is due to dollars being earmarked for three-year contract amounts for the 20 awarded organizations under this Strategic Plan Focus area.*

This portion of the budget also includes dollars set aside for things like funded partner training costs ($7,500), collaborative meeting expenses ($4,500) and translation services ($5,000), a small amount to allow for community storytelling from families, what we call Community Scientists, ($10,000), and funds to purchase Ages & Stages Questionnaires (ASQ) kits for funded partners and potential ASQ trainings. This area is also where development of programs, that align with the Commission's Strategic Plan, would originate.

Thriving Families Service Programs	$2,133,606

Original Amount	Revised Amount	Variance
815,000	2,133,606	1,318,606

Revised Justification: With the completion of the prior year's audit, available dollars are allocated back to programmatic efforts. The increase to this line item, allows for dollars to support to the Commission's funded partners in trainings and other gap filling needs, for systems buildng partnerships, and fto allow the Commission to continue contracts with the Department of Public Health to leverage federal dollars for home visitation services for a longer term to continue vital services.

Community Learning Center

Original Justification: The Lighthouse for Children Community Learning Center (CLC) is a network of community partners working together to provide classes and workshops that encourage and foster healthy relationships between young children and their caregivers all while increasing early literacy, language, and school readiness skills. Along with family services, the CLC supports professionals working with young children. In June 2022, via a Request for Proposals, Fresno Economic Opportunities Commission became the CLC Operator. They are tasked with coordinating use of space and the local agencies who provide services to families with young children. This section of the budget contains the 0.3 FTE for a First 5 Fresno staff who is the liaison for the CLC Operator contract along with the overhead and operating costs (phones, internet, utilities, program supplies, etc.) of the CLC space and the other partner space at the Lighthouse for Children.

	Original Budget	Revised Budget
CLC Operating Contractor [Potential] Contract Renewal	$0	$100,000
CLC Salaries - First 5 Fresno Staff Liason (0.3 FTE F5FC)	$21,266	$21,890
Staff Benefits, Payroll Taxes, Leave Accrual - F5FC	$18,593	$12,637
Overhead & Operating Expense	$320,651	$348,351
Community Learning Center	**$360,510**	**$482,878**

Original Amount	Revised Amount	Variance
360,510	482,878	122,368

Revised Justification: With the completion of the prior year's audit, available dollars are allocated back to programmatic efforts. The proposed revised amount includes dollars for the potential renewal of the CLC Contractor, a slight change in cost for staffing due to small increases in salaries and benefits along with slight increases for overhead expenses related to nation-wide cost increases.

Patient-Centered Prenatal Care

Original Justification: Resources are allocated for the group prenatal care project which is leveraging a four-year $5.6 million grant awarded to University of California, San Francisco's Preterm Birth Initiative-California (UCSF-PTBi) from the Patient-Centered Outcomes Research Institute (PCORI). The grant's intent is to research an enhanced prenatal care model (group prenatal care named Glow!) compared to traditional prenatal care in the Central Valley. This project is called the EMBRACE Study. As one of three findings from the African American Infant Mortality Needs Assessment (2016), the Glow! group prenatal care project was piloted from 2017 to 2020 via a grant from UCSF to focus on maternal wellness and support for women in Fresno County. In this current form, Glow! includes partnerships with three Community-Based Organizations (Reading & Beyond, West Fresno Family Resource Center, & Fresno EOC) to act as Glow! satellite sites (known as the Glow! Contracted Network) for the EMBRACE Study. The Commission sees this Study as a win for Fresno County and the region. The Study follows a sampling of pregnant people, half enrolled in Glow! group prenatal care and half enrolled in traditional care. The Commission has committed to contracts with the Contracted Network via prior budgets. These funds are to maintain the Network with its proper trainings, and expansion efforts as outlined below.

		Original Budget	Revised Budget
Glow! Facilitation Sub-Contracts	Glow! Contracted Network Contracts	$100,000	$300,000
	Glow! Future Expansion Post EMBRACE Study	$50,000	$100,000
	Group Prenatal Care - First 5 Fresno Staff Liason (0.2 FTE F5FC)	$0	$23,900
Glow! Coordination Expense	Glow! Programmatic Materials (Curriculum Materials, Site Licenses, etc.)	$20,000	$30,000
	Trainings: CenteringPregnancy Curriculum, Equity Trainings, Materials	$12,665	$18,998
	Patient-Centered Prenatal Care	**$182,665**	**$472,898**

Original Amount	Revised Amount	Variance
182,665	472,898	290,233

Revised Justification: Along with an increase to materials and licenses, the proposed updates to this portion of the budget includes an additional year for the Glow! Contracted Network to finish the EMBRACE Study and dollars for the future of Glow! Group Prenatal Care beyond the EMBRACE Study. The future may require a contractor or staff member to help advocate for Glow! model in state policy decisions, to scale evaluate the program, to scale the scope of the project, etc.

COST ANALYSIS

BUDGET LINE ITEM DETAIL

Strategic Plan Investments Cont'd 2

2023-2024 Proposed Revised Budget

African American Infant Mortality Prevention

Original Justification: The Commission remains committed to working with the community and its professionals to tackle the high rates of infant mortality among Fresno's African American community. Embracing our unique role as a county-wide convener and coordinator in the early childhood system, the Commission will continue to explore innovative and collaborative ways to address societal issues that contribute to infant mortality through investment and partnerships. Combined with portions of some investments listed above including direct service contracts and Patient-Centered Prenatal Care, it is the Commission's goal to dedicate approximately 20-25% of its total program investments to African American infant mortality prevention work. Some innovative projects include a valley-wide safe sleep media campaign, organizational capacity building to support those serving Fresno's African American 0-5 population, and the local development of the Black Child Legacy Campaign, a community-driven movement working to reduce deaths of African American children. There is potential within this portion of the budget to support innovative pilot efforts and community-driven grant making to reduce African American infant mortality and preterm birth. This portion of the budget also includes 0.3 FTE of F5FC staff.

African American Infant Mortality Prevention $1,359,368

Original Amount	Revised Amount	Variance
1,044,130	1,359,368	315,238

Revised Justification: The increase to this portion of the budget, as a result of the incorporation of the available fund balance, allows the Commission to move toward meeting its goal for African American infant mortality prevention efforts. Staff continue to be involved in local coalitions and community partner groups where opportunities for supports to African American families are discussed. Opportunities to enter into contracts for this focus area will be brought to the Commission as these partnerships are developed. This budget line item may allow for a staff position (.25 FTE) to facilitate related contracts.

QRIS - Local High Quality Training & Technical Assistance

Original Justification: The Commission's investments like the Quality Rating and Improvement System (QRIS) leverages dollars received from First 5 California's IMPACT project to increases technical assistance and training opportunities for early childhood providers throughout the county. This portion of the budget sets aside funds for a contract extension, to not have a gap in services, as the First 5 California procurement unfolds. Staff will work with partners and evaluate how the Commission's funds ($950k in this budget) can continue to complement First 5 California's investment in improving the quality of childcare in the county. This portion of the budget also includes the overhead expense ($208k) for the LFC Child Development Center, a high-quality demonstration childcare site that stands as a model for center-based childcare. The Office of the Fresno County Superintendent of Schools Early Care and Education Department operates the space that the Commission provides.

Additionally, this section includes funds ($150k) for the possibility of supporting organizations with LFC-like childcare scholarships, along with funds set aside ($500,000) for the Commission to potentially explore supporting the childcare infrastructure in Fresno County. This could take shape possibly through convening partners to collaborate on policy, incentivizing more providers to provide care, supplementing high quality care costs for families, or possibly a joint local measure, etc.

QRIS - Local High Quality Training & Technical Assistance $1,997,847

Original Amount	Revised Amount	Variance
1,997,847	1,997,847	0

Revised Justification: No change to this line item.

COST ANALYSIS
BUDGET LINE ITEM DETAIL

Strategic Plan Investments Cont'd 3

2023-2024 Proposed Revised Budget

Innovation & Learning Partnerships and Communications

Original Justification: Lasting improvements to the health and development of the county's youngest residents are possible when community organizations, businesses, policy makers, families and the Commission find innovative ways to collaborate and create a more integrated and comprehensive support system for young children and their families. The Commission will invest in emerging, innovative partnerships that directly align with the Strategic Plan and the agency's mission along with communication strategies to further convey the importance of the early childhood development.

Innovation & Learning Partnerships Subtotal	$255,000

Original Justification: The Commission engages in communication and community relations efforts to connect with community leaders, stakeholders, businesses, elected officials, and the broader Fresno County audience. By engaging with Fresno County residents and leaders alike, the Commission has the opportunity to promote and enhance our message of the importance of the first 5 years of life. To this the Commission will invest in the following:

Annual Child-Friendly Business Awards	$75,000
Community Relations Expense	$40,000
Communications Efforts & Materials	$61,000
Communicating Families Stories	$15,000
Website	$10,218
Other Communication Efforts (Photos, Community Outreach Materials, etc.)	$160,500
Communications Subtotal	$361,718
Innovation & Learning Partnerships and Communications Total	**$616,718**

Original Amount	Revised Amount	Variance
470,500	616,718	146,218

Revised Justification: At the inclusion of the available fund balance to the revised budget, the Innovation & Learning and Communications portion is filled in to allow the Commission flexibility in supporting the community through organic and innovative approaches to continue the Commission's charge of supporting the cohesion of the system of services, programs and initiatives that support the needs of families with young children. Per the Procurement Policies, new contracts will be presented to the Commission in its regular business meetings.

			Strategic Plan Investment Areas Total	**$7,248,082**
Total Evaluation Expense	7,248,082	x	0%	**0**
Total Program Expense	7,248,082	x	100%	**7,248,082**
Total Administration Expense	7,248,082	x	0%	**0**

COST ANALYSIS
BUDGET LINE ITEM DETAIL

Accountability and Evaluation

		2023-2024 Proposed Revised Budget
		$505,000

Accountability Contract Management System
Organizations that receive Commission funds report financial, programmatic, and evaluation data to ensure compliance with the agency's contractual obligations. The fiscal reporting structure of the Commission is modeled after the First 5 Financial Management Guide. The Commission is in contract with Social Solutions, Inc., for data management system & services, for use of their system Apricot 360. This system collects programmatic data and allows for fiscal reporting to ultimately be able to report to the state each year as per our requirements.

Contract Management System	$150,000	$150,000

Evaluation Services
The effectiveness of the Commission's investments is monitored regularly by staff along with a contracted evaluation firm. With evaluation being mandatory, the contracted evaluator works with the Commission, staff, and grantees to inform ongoing program practices and to evaluate progress towards the Commission's desired outcomes in line with the strategic plan. The Commission uses accountability and evaluation data to inform its decision-making; ensuring that funds are used as efficiently and effectively as possible. The Commission is in contract with Harder+Company for evaluation services.

Evaluation Services	$300,000	$355,000
Accountability and Evaluation Total	**$450,000**	**$505,000**

Original Amount	Revised Amount	Variance
450,000	505,000	55,000

Revised Justification: A minimal increase to this line item exists to accommodate an increase in users of our evaluation database as we anticipate new contracts with the upcoming release of procurements.

Total Evaluation Expense	505,000	x	100%	**505,000**
Total Program Expense	505,000	x	0%	**0**
Total Administration Expense	505,000	x	0%	**0**

Externally Funded Initiatives

	2023-2024 Proposed Revised Budget

These externally funded initiatives create strong partnerships while furthering the Commission's impact in the community. Funding for these projects, as detailed below, comes from revenue streams separate from the Proposition 10 Revenue received by the Commission.

IMPACT Legacy - Regional Fiscal Agent
The Commission is also serving as the Fiscal Lead Agency (Fiscal Lead) for the IMPACT Legacy Regional Hub grant from First 5 California. The Fiscal Lead receives the grant award funding from First 5 CA on behalf of the region and distributes the funds to counties via subcontracts. The Fiscal Lead will be tasked with reviewing and recording expenditures made by the Hub and requesting reimbursement from First 5 CA on a quarterly basis. The Commission will receive funding to cover employee costs related to the tasks noted above, approximately 0.5 FTE. This is a two-year grant, 2024-25, being the first year.

Revised Justification: No change to this line item.

First 5 CA - IMPACT Subtotal	$48,000

IMPACT Legacy - Regional Hub Program
IMPACT Legacy Regional Hub (called the Hub) serves as the training and technical assistance (T&TA) coordination leads for IMPACT Legacy grant from First 5 California. The Hub's goal is to strengthen the early learning and care system across the region by providing regional coordination, professional development, and high-quality trainings to seven counites across the central valley. As the Regional Hub Lead agency, F5FC will serve as the coordinator to fulfill reporting requirements and ensure First 5 CA's goals for the program are being met. The Commission will receive funding to cover employee costs related to the tasks noted, approximately 0.6 FTE. This is a two-year grant, 2024-25, being the first year.

Revised Justification: No change to this line item.

First 5 CA - IMPACT Regional Hub Subtotal	$565,739
Total IMPACT Funding:	$613,739

First 5 California - Refugee Family Support Grant
First 5 Fresno County in partnership with seven Central California First 5 Commissions including First 5 Stanislaus, First 5 Merced, First 5 Madera, First 5 Kings, First 5 Tulare, First 5 Kern and First 5 San Luis Obispo counties aim to support refugee families as they transition to life in Central California. The workplan and budget for the First 5 CA grant are products of a series of community planning sessions and conversations with First 5 Commissions, refugee family serving agencies and community partners invested in serving young children and their families. The California Refugee Family Support aims to assist refugee children and their families with: System Navigation Support, Peer Connection/Social Support, Reginal Refugee Family Support Collaboration and Basic Family Needs. The dollars include approximately 0.25 FTE for F5FC staff time through June 2024.

Revised Justification: No change to this line item.

First 5 CA - Refugee Family Support Subtotal	$93,622

COST ANALYSIS
BUDGET LINE ITEM DETAIL

Externally Funded Initiatives Cont'd				2023-2024 Proposed Revised Budget
Blue Meridian Partners - Early Childhood Human Capital Investment				
Revised Justification: The Commission again accepted funds from the Fresno Cradle to Career Partnership received from the Blue Meridian Partners in a October 2023 for $25,000 to be allocated to the enhancement and expansion of the Glow! Group Prenatal Care project.				
			Blue Meridian Partners Subtotal	$25,000
County Department of Public Health - Babies First Healthy Start Grant				
In May 2021, the Commission accepted funds from the Fresno County Department of Public Health (DPH) in a total amount of $468,000 over three years. These funds come from a grant awarded to DPH. Their grant alignment with the Commission-funded Glow! Group Prenatal Care project made this an ideal partnership. These funds partially offset the Commission's investment in Glow! and its contracted network of Community-Based Organizations. The expenses outlined in this section include 0.8 staff FTE to coordinate the service delivery of the Glow! Contracted Network as it pertains to the EMBRACE Study along with other expenses necessary to carryout Glow!				
Revised Justification: No change to this line item.				
			DPH Healthy Start Grant Subtotal	$117,000
Glow! - First 5 Merced County Expansion Grant				
The Commission is excited for the expansion of Glow! Group Prenatal Care (Glow!) into surrounding Central Valley Counties. Glow! started solely in Fresno County as part of the EMBRACE study to determine which type of prenatal care, group or individual, was best to improve birthing outcomes for soon to be moms. Since the inception of the Glow! program, the Commission's staff have lead the coordination and implementation in Fresno County. To ensure a successful expansion of Glow!, our staff will provide program coordination coaching, program facilitation coaching and technical assistance to other Central Valley First 5s. The Commission will receive funding to cover employee costs related to the tasks noted above, approximately .05 FTE. This is a one-year agreement.				
Revised Justification: No change to this line item.				
			Glow! - Merced County Subtotal	$12,275
Glow! - First 5 Kern County Expansion Grant				
The Commission is excited for the expansion of Glow! Group Prenatal Care (Glow!) into surrounding Central Valley Counties. Glow! started solely in Fresno County as part of the EMBRACE study to determine which type of prenatal care, group or individual, was best to improve birthing outcomes for soon to be moms. Since the inception of the Glow! program, the Commission's staff have lead the coordination and implementation in Fresno County. To ensure a successful expansion of Glow!, our staff will provide program coordination coaching, program facilitation coaching and technical assistance to other Central Valley First 5s. The Commission will receive funding to cover employee costs related to the tasks noted above, approximate .05 FTE. This is a one-year agreement.				
Revised Justification: No change to this line item.				
			Glow! - Kern County Subtotal	$4,567
			Externally Funded Initiatives Total	**$866,203**
Total Evaluation Expense	866,203	x	0%	**0**
Total Program Expense	866,203	x	100%	**866,203**
Total Administration Expense	866,203	x	0%	**0**

COST ANALYSIS
BUDGET LINE ITEM DETAIL

RESERVE

Operations Contingency Fund

2023-2024 Proposed Revised Budget

$1,500,000

The Operations Contingency Fund was established to guard against possible losses and meet unforeseen and unavoidable requirements that may arise during the budget year. Parameters of usage are outlined in the agency's Accounting Policies and Procedures Manual. This fund will remain at $1,000,000, being deobligated and then reobligated at the start of each fiscal year.

Original Amount	Revised Amount	Variance
1,000,000	**1,500,000**	**500,000**

Revised Justification: During the annual review of the Commission's Accounting Policies and Procedures Manual, staff analyized the Contingency Fund Target Level which should represent (as the Manual states) "approximately four to six months of both the Commission's operational budget and the operation costs of the LFC facility." Due to increased costs since the drafting of this policy, it is recommended to increase the Fund.

Total Evaluation Expense	1,500,000	x	0%	**0**
Total Program Expense	1,500,000	x	0%	**0**
Total Administration Expense	1,500,000	x	100%	**1,500,000**

Strategic Reserve Fund

2023-2024 Proposed Revised Budget

$2,000,000

The Strategic Reserve Fund is a separate fund to guard against any future immediate and unanticipated Proposition 10 revenue deficits or shortfalls that may arise during the budget year. Parameters of usage are outlined in the agency's Accounting Policies and Procedures Manual. This fund will remain at $2,000,000, being deobligated and then reobligated at the start of each fiscal year.

Original Amount	Revised Amount	Variance
2,000,000	**2,000,000**	**0**

Revised Justification: No change to this line item.

Total Evaluation Expense	2,000,000	x	0%	**0**
Total Program Expense	2,000,000	x	100%	**2,000,000**
Total Administration Expense	2,000,000	x	0%	**0**

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

FINANCE AND PROGRAM REVIEW COMMITTEE MEETING
January 17, 2024 – 11:00 a.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 5

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Accounting Policies and Procedures Manual- Annual Review

RECOMMENDED ACTION:

Approve, for full Commission consideration, the updated Accounting Policies and Procedures Manual.

BACKGROUND:

On an annual basis, internal policies and procedures are reviewed to incorporate potential legislation, general practices, and any other updates. In this instance, updates to the Accounting Policies and Procedures Manual are being presented.

1. Accounting Policies and Procedures Manual:

The Commission's Accounting Policies and Procedures ensure internal procedures align with Governmental Accounting Standards Board (GASB), the First 5 Association Financial Management Guide, and industry standards. Accounting policies provide high-level guidance and focus attention on critical executive responsibilities associated with accounting for the Commission. The following updates are presented for review and approval:

- Various updates to language to simplify the Manual
- Section B, I – Public Relations Purchases: added reference to the Commission approved Community Event Sponsorship Guidelines document.
- Section 4, E –Contract Management: addition of this section to put into writing the practices regarding Contract Terms and No Cost-Extensions.
- Section 5, E – Contingency Fund Target Level: increased amount of contingency fund level to reflect needs of Commission-owned facility, The Lighthouse for Children, and included a threshold for how often the fund amount should be reviewed.

Fiscal Impact: Action on this agenda item will have no fiscal impact.

CONCLUSION:

Annual review and updates to Commission's policies ensure efficiency, further transparency, cost effectiveness and internal controls. If approved, the revised policy will move forward for full Commission consideration at the next meeting.

ACCOUNTING POLICIES AND PROCEDURES MANUAL

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1. GENERAL

A. Introduction

The purpose of the Accounting Policies and Procedures Manual is to provide documented procedures related to fiscal policies, accounting principles, internal controls, operating procedures and reporting requirements for the Children & Families Commission of Fresno County (the Commission) also known as First 5 Fresno County (F5FC).

Use of this manual will assist Commission staff by:

- Describing methods for processing accounting information
- Documenting the accounting process so that execution of procedures is not completely dependent upon one individual
- Providing a training device and reference material for staff
- Providing a source of information to help eliminate uncertainties and confusion
- Ensuring consistent application of accounting policies and procedures
- Describing the principles, procedures and forms to be used to process and generate financial reports prepared in accordance with generally accepted accounting principles and governmental accounting standards

B. Authority

The California Children and Families First Act of 1998 (Proposition 10) created the California Children and Families Commission (State Commission). Through the creation of the State Commission, 58 County Commissions were established.

Fresno County Ordinance Number 99-009 established the Fresno County Children and Families Commission pursuant to the provisions of the Health and Safety Code, Section 130140. Section 2.38.020, item G, of the Fresno County Ordinance states, "The Commission shall comply with Government Finance Officers Association (GFOA) financial management guidelines and Governmental Accounting Standards Board (GASB) accounting requirement standards."

The Commission is responsible for updating the manual as needed, at minimum on an annual basis, and ensuring that revised policies are appropriately considered at a public meeting by the Commission.

C. Role of Fresno County Auditor-Controller/Treasurer-Tax Collector

The Fresno County Auditor-Controller/Treasurer-Tax Collector (FCACTT) provides maintenance of the Commission Trust Fund held by the County for the Commission, referred to as a trust account. The FCACTT role to the Commission is that of a trustee nature. The Commission retains final authority over the Commission Trust Funds and access to these funds, upon proper authorization, shall be performed by the FCACTT in a timely and efficient manner.

D. Lighthouse for Children, Inc.

Lighthouse for Children, Inc. (LFC) is a California 501(c)(3) non-profit public benefit corporation created by the Commission, in 2012, as a Qualified Active Low Income Community Business (QALICB) to take advantage of a New Markets Tax Credit financing structure used to build a facility within a low-income community in Fresno County as the Commission was not eligible to

be the QALICB. The LFC is considered a component unit of the Commission for financial reporting purposes and, as such, is included in the Commission's annual financial report.

As a component unit of the Commission, the LFC has a financial and operational relationship with the Commission which meets the reporting entity definition criteria of GASB Statement No. 14, The Financial Reporting Entity, as amended by GASB Statements No. 39 and No. 61, and thus is included in the financial statements of the Commission. Although a legally separate entity, LFC is reported in F5FCs financial statements using the blended presentation method because it provides services exclusively or almost exclusively to the Commission and a financial benefit relationship exists between the Commission and the component unit.

Lighthouse for Children, Inc. must follow the policies and procedures as outlined in this Manual unless otherwise noted in the sections below.

2. ACCOUNTING POLICIES

Accounting policies provide high-level guidance and focus attention on critical executive responsibilities associated with accounting. The policies assist the Commission in making decisions necessary for the daily operations of the agency:

- Accounting is conducted in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB), and in accordance with the guidance in Governmental Accounting, Auditing, and Financial Reporting (GAAFR) published by the Government Finance Office Association (GFOA)
- Accounting transactions are recorded in a manner to facilitate **outcome-based accountability**
- Accounting procedures and records ensure expenditures are made only for the purposes authorized by the California Children and Families Act of 1998 (as amended), and in accordance with the Commission's approved Strategic Plan in effect for the fiscal year
- Accounting procedures are adopted and followed to safeguard financial resources

A. General Accounting Procedures

The following general accounting procedures are the major elements that define and drive the accounting system:

1. Generally Accepted Accounting Principles
2. Fund Accounting
3. Modified Accrual Basis of Accounting
4. Account Classification
7. Program Accounting
8. Cost Allocation
9. Budgetary Accounting
10. Internal Control

1. <u>Generally Accepted Accounting Principles (GAAP)</u>

In order to maintain public trust, the Commission's operations, reporting, accounting policies, practices, and systems conform to Generally Accepted Accounting Principles (GAAP).

2. <u>Fund Accounting</u>

Government accounting systems are organized and operated on a fund basis to provide strong accountability for the use of public funds.

Fund accounting focuses on the inflow and use of current financial resources, whereas private sector accounting focuses on profit and net worth. Fund accounting includes three broad classifications of funds. Governmental funds typically are used to account for tax-supported activities. Proprietary funds are used to account for a government's business type activities like a water department or an airport. Fiduciary funds are used to account for resources that are held by the government as a trustee or agent for parties outside the government. Fiduciary funds cannot be used to support the government's own programs.

One type of governmental fund is the general fund. The general fund is the chief operating fund of most governments and is used by the Commission. Another type of governmental fund is a special revenue fund. A special revenue fund accounts for the proceeds of a specific revenue source that is restricted by law or administrative action to be expended only on a specified purpose(s). Special revenue fund accounting is commonly used when revenue sources are exclusively designated for a specific purpose.

3. Accounting Methods

   A. Modified Accrual Basis of Accounting
   There are three bases of accounting: cash accounting, accrual accounting, and modified accrual accounting. Commissions are recommended, by the First 5 Association Fiscal Management Guide, to use the modified accrual method of accounting because it more effectively recognizes increases and decreases in financial resources.

   The modified accrual basis of accounting is a method of accounting in which expenditures are recorded at the time liabilities are incurred and revenues are recorded when received in cash or are considered available for use.

   B. Accrual Basis of Accounting
   LFC utilizes the accrual basis of accounting. The accrual basis of accounting is a method of accounting in which expenditures and revenues are recorded at the time they are incurred, not necessarily when they involve cash.

4. Account Classification (Chart of Accounts)

The Commission engages in a wide range of financial activities. An account classification system called a Chart of Accounts is used to record and organize this financial activity. The chart of accounts provides the organizing framework for budgeting and substantially enhances reporting capabilities.

The Chart of Accounts includes all accounts in the general ledger – assets, liabilities, fund balance, revenues, and expenditures. Asset, liability, and fund balance accounts reflect the financial resources of the Commission and are referred to as balance sheet accounts.

5. Program Accounting

Account classification creates a structure to account for assets, liabilities, fund balance, revenues, and expenditures. In addition, the Commission often needs information on programs. **A program is a set of specific activities taken on by the Commission to accomplish a particular purpose and funding source**. A program may have more than one revenue source and may require expenses from multiple accounts.

Because of the Commission's legal mandate for **outcome-based accountability** and the program evaluation requirements associated with the grant funds, the Commission has employed program accounting. In order to capture all costs to their appropriate funding, outcomes, and results areas, the Commission has developed program accounting in their internal accounting system. Program costs are captured based on funding mechanism and focus areas. The Commission has also employed a data reporting system that provides result area-based expenses.

6. Cost (Expense) Allocation

Most accounting for the Commission's activities is accomplished directly by processing transactions. Transactions are coded and charged to designated fund accounts and programs. However, certain situations require special allocation steps to accurately account and report the cost of Commission activities.

To provide clarity, the Commission has defined administrative costs within this Policy. Therefore, cost items that comport to the Commission's definition of administrative costs are charged directly to an administrative area in the accounting system. Cost allocation is used when costs need to be estimated and apportioned among different programs or organizational units. Examples of costs that may need to be allocated include office rent, telephone, and personnel costs.

Once it is determined that costs need to be allocated or apportioned, an allocation formula is created to obtain a reasonable estimate. At least once every two years the Commission conducts a time study of all staff positions in order to properly compute expenses. The time study shows the percentage of each staff position's time that is spent on each Commission program and on internal administrative activities.

7. Budgetary Accounting

The Commission's budget is consistent with GAAP and governmental accounting standards. The budget is a commitment for the allocation of available resources for the upcoming budget period. The budget is shaped by the goals and objectives contained in the Commission's Strategic Plan and the financial direction set in the long-term financial plan.

An annual budget authorizes and provides the following:

a. Basis for control of the financial operations of the Commission
b. Estimates revenues made on a modified accrual basis, as anticipated to be earned for that budget year
c. Estimates carryover fund balance made on a modified accrual basis, as anticipated to be on hand at the close of the fiscal year
d. Estimates appropriation requirements made on a modified accrual basis
e. These aforementioned estimates reflect expenditures and encumbrances for all obligations to be incurred during the budget year

The Commission will adopt the proposed budget at least one month prior to the beginning of the next budget period. In the adopted budget, the operating expenditures must not exceed the operating resources (forecasted revenues and reserves). That is, the total of all appropriations for the budget year may not exceed the total of estimated revenues for the budget year, plus the estimated unencumbered carryover fund balance from the current year.

8. Internal Control

Commission staff administers and monitors the adopted budget during the year to establish budgetary control. Specific steps are taken to establish that control.

Initially, the budget is aligned with the modified accrual accounting system. The budget includes estimated allocations to the various program components that support the Commission's goals for early childhood development. The program accounting structure is aligned with the programs in the budget. Revenue and expenditure line items in the budget are aligned with the Chart of Accounts to effectively compare "actual" revenues and expenditures with "budgeted" revenues and expenditures.

Secondly, a component of budgetary accounting is encumbrance accounting. An encumbrance system is needed to control the expenditure side of the budget. Encumbrances represent the estimated amount of future expenditures that will result when unperformed work is completed within a contract term. Essentially the encumbrance reserves a portion of a budget. When the work outlined in a contract is performed, expenditures will be recorded in the accounting system (and the encumbrance will be reversed). Until the expenditure is recorded, encumbrances are used so the Commission does not over commit funds.

Thirdly, staff uses the budget document as a guide for expenditures throughout the budget period so that actual expenditures do not exceed the total adopted budget. Regular reporting is used to identify budgeted and actual amounts and fund balance, ensure resources are used for the appropriate purposes, and ensure resources are not expended too quickly.

Lastly, during the year amendments are made to the original budget as circumstances change. The Commission must approve any appropriation transfers when it is necessary to move appropriations between expenditure objects. Objects are defined as Salaries and Benefits, Services and Supplies, and Program Contracts. The Executive Director or designee of the Commission may approve appropriation transfers between line item accounts within an expenditure object. The Commission may increase appropriations during the fiscal year on a 2/3-majority vote by Commissioners present at a regularly scheduled meeting of the Commission. The appropriation amounts must be matched by realized revenue or carryover, or additional anticipated revenue, in excess of amounts anticipated in the budget. Mid-year budget increases are made by resolution of the Commission. Records of the original budget and all amendments are maintained. At year-end both the "original" budget and "final amended" budget amounts are reported in the annual audit.

3. ACCOUNTING PROCEDURES AND PROCESSES

The accounting system consists of records and procedures which recognize, record, classify, summarize, and report information on the Commission's financial position and results of operations. The major elements used in presenting financial information in governmental accounting are assets, liabilities, fund balance and/or equity, revenues, and expenditures.

The accounting procedures and processes below describe the methods used in accounting for the Commission's financial transactions. The goal of the accounting process is to produce financial reports that accurately summarize the financial position of the organization at a certain point in time and its revenues and expenditures for the fiscal period.

A. Revenue

A. Proposition 10 Revenue

Revenue received for the operation of the Commission is initiated and submitted from the California State Children and Families Commission on a monthly basis, based on Proposition 10 funds collected by the State of California. The revenue allocated and transferred to the Commission is based on the percentage of Fresno County live births to California State live births. The funds are remitted directly to the Fresno County Treasury where they are placed in the Children and Families Trust Fund.

The State releases a Monthly Distribution of Tax Revenues ~~Disbursement to Counties by Month Report~~ which reflects funds ~~collected and~~ distributed to counties for the month. The revenue remitted by the State is reviewed and documented by Commission staff each month to determine the reasonableness of the revenue.

B. Other Revenue

The Commission may receive other revenue not otherwise related to its Proposition 10 funding allocation from such sources as the State Commission, other state departments, the federal government, and private foundations. These funds may be restricted in how they are used and require special accounting information to track and report periodically. The acceptance of these revenues must have Commission approval and a formal grant, ~~or~~ funding/lease agreement, or written use description including a budget or plan establishing restrictions and parameters of the use of the funds.

B. Cash

The Commission is responsible for several cash accounts. These accounts include the following:

1. Commission Trust Account

The Commission Trust Account (trust account), occasionally referred to as the Children and Families Trust Fund, is maintained by the Fresno County Auditor-Controller/Treasurer-Tax (FCACTT) Collector for the Commission. Monies are transferred to the cash accounts described below for the operations of the Commission.

Since the County has established that funds in the trust account are not operational funds, there is a need to have some excess funds in the Commission's cash accounts. The County only allows two, non-operational transfers per 30-day period, and the transfers must be 10 days apart between withdrawals. Commission management and the Commission's Secretary/Treasurer will establish the amount of funds to be held by a bank.

~~Fresno County will be notified of the need to transfer funds by Commission management based upon projecting future cash flow requirements~~. ~~The~~ Commission management will make a transfer request ~~must be~~ to the FCACTT in writing, on the Commission's letterhead, based upon projected future cash flow requirements ~~to the Fresno County Treasurer's Office for the transfer to take place~~. The authorized signer for transfers is the Commission's Executive Director. Transfer amounts for non-operational funds cannot exceed the amount allowed by Fresno County.

Transfers may be made by check or wire transfer only to the Commission's program checking account.

Each month, the County submits a Monthly General Ledger Trial Balance Report and a Monthly Transaction Register to the Commission, which documents the activity for the month and the cash balance in the trust account.

The Commission will transfer sufficient monies to the operating account as needed for agency operations. There is no limit on the number or amounts of operations transfers within a 30-day period.

2. Operating Checking Account

The operating checking account is maintained to process transactions for the general operations of the Commission. The account requires two authorized individuals' signatures, designated by the Commission, on payments/checks over $500.00.

Account signers are the Executive Director and a designee. Wire transfers must be authorized, in writing, by the Executive Director or designee.

The Executive Director has been delegated the authority to authorize payments for all recurring budgeted costs [no dollar limit] and up to $3,000.00 for non-recurring operating costs.

Splitting payments to avoid the approval limit is contrary to Commission policy and is not allowed. Payments authorized by anyone other than the primary designee will be presented to the primary designee for review and the primary designee will initial their subsequent review and approval of the expenditure. The primary designees are designated as the Executive Director and the management staff (or designee).

3. Program Checking Account

The program checking account will segregate the funds necessary for financing current activity of programs/grants. The account requires two approvals on the account and will be as follows:

Authorized individuals shall be the Executive Director and a designee. Wire transfers must be authorized, in writing, by the Executive Director or designee and two signatures are required for checks over $500.00.

Splitting payments to avoid the approval limit is contrary to Commission policy and is not allowed. Payments authorized by anyone other than the primary designee will be presented to the primary designee for review and the primary designee will initial their subsequent review and approval of the expenditure. The primary designees are designated as the Executive Director and the management staff (or designee).

Program funds are requested from the T~~t~~rust ~~a~~Account on an as-needed basis as outlined in section B-1 of this Policy. A staff designee verifies, within the accounts receivable procedures, funds have been deposited to the appropriate bank account.

4. Petty Cash Fund

The Commission maintains a petty cash fund for minor business expenses that is replenished as needed in an amount not to exceed $200.00. A custodian is assigned the responsibility of maintaining this fund. Reconciliation by a designee, independent of the custodian function, is performed twice a year, at minimum. The petty cash fund is not used for change funds. The process for petty cash is as follows:

1. Petty cash funds are secured in a locked petty cash box with the custodian.
2. Petty cash for a minor business expense is requested from the custodian.
3. The custodian completes a petty cash voucher with the date, amount disbursed, details of expense, account to debit the expense and name of the person to whom the petty cash was paid.
4. The voucher is stapled to the receipt and stored in the locked petty cash box.
5. The expense is recorded in a spreadsheet that updates the running cash balance.
6. At the end of every quarter, the locked box is given to the designee to perform a reconciliation between the balance in the spreadsheet and cash balance in the petty cash box.
7. Journal entries are then recorded by the designee for each expense by applying a debit to the expense account and a credit to the petty cash account.
8. Receipts and vouchers are scanned and attached to the journal entry batch and filed in the bank reconciliation/journal entry file.

5. Accounts Receivable

An accounts receivable process is maintained to identify, and bill all amounts due on a timely basis. The process will identify overdue receivables and provide timely collection notices.

The accounts receivable process is as follows:

1. Services and/or goods will be billed by a staff designee.
2. The invoice generated will be recorded - a debit to accounts receivable in the amount of the invoice and a credit to the revenue - in the accounts receivable module of the Commission's accounting software.
3. After the bill is issued, the timing of the outstanding bill will be tracked so that the receivable can be aged.
4. Follow-up correspondence will be sent to the vendor/ Funded Partner if payment is not received by the due date listed on the invoice.
5. When the vendor/ Funded Partner remits payment on the invoice, the payment will be recorded in the accounting system by a staff designee and submitted to the Business Director or a separate designee for deposit.
6. Once the deposit is made, the staff designee receives the bank deposit slip and records it in the accounts receivable module, by debiting cash and crediting accounts receivable.
7. The Business Director checks that the deposit is accurately recorded and posts the receivable to the General Ledger.

6. Investments

The Commission has developed an Investment Policy that is updated annually, as needed, by Commission staff and appropriately considered at a public meeting by the Commission.

C. **Bank Reconciliation**

Bank reconciliation is performed on a monthly basis for all cash and investment accounts. The following describes the procedures related to the bank reconciliation process:

a. The bank statement is received via email directly to the Early Childhood Initiatives Director, who is separate from the payment process, who reviews and forwards to the Business Director or designee.
b. Staff prepare monthly journal entries based on the bank statement. All journal entries must be accompanied with proper supporting documentation and filed appropriately. The Business Director or Business Manager then prepares the bank reconciliation and, upon completion, forwards to the Executive Director.
c. The Executive Director initials the bank reconciliation verifying the review and returns the bank reconciliation to the Business Director.

D. **Payment Approval Authorizations**

The Executive Director is authorized to approve payments of $10,000.00 or less as outlined in the Commission's Procurement Policies and Procedures Manual. Payments for non-recurring amounts over $10,000.00 require Commission approval.

As stated above, manual checks valued at more than $500.00 require two signatures. Authorized designees are detailed by account.

The Executive Director and the Early Childhood Initiatives Director, whom do not have access to the Commission's bank accounts, and the Commission's Vice-Chair and/or the Commission's Secretary/Treasurer are the payment authorizers. In the absence of the Executive Director, the Commission's Vice-Chair acts as a payment authorizer. The Commission requires payment authorizers to be updated upon the end of a Commissioner's term and updated to reflect incoming Commission members.

The Executive Director or designee may not approve authorizations payable to their supervisor; Commission Chair approval is required.

E. **Fidelity Bond Insurance**

The Commission is required to maintain fidelity bond insurance. The Commission has authorized the fidelity bond to cover all sums of the Commission's Trust Fund that are removed from the County Treasury. Currently the insurance amount maintained by the Commission is $5,000,000.

F. **Policy of Cash Funds**

Funds may be invested by management in investments allowed by State Law and approved by the Commission. Funds held by the banks must be collateralized with acceptable securities with a value of 110% or more for funds in excess of FDIC (Federal Deposit Insurance Corporation) limits. Please refer to the Commissions' Investment Policy for further details.

G. **Capital Assets**

Capital assets include such items as land, structures and improvements, and furniture and equipment owned by the Commission. Under the modified accrual basis of accounting, the Commission charges capital asset purchases as expenditures. The following are safeguards to control capital assets:

- All individual capital assets, having a value of $5,000.00 or more and a useful life of one year or more, are monitored through inventory controls
- Commission approval of all capital asset purchases, regardless of dollar amount, is required
- Pertinent data on capital assets (including description, cost, source of funds, and data acquired) is recorded as soon as capital assets are acquired, and data is available
- All items are tagged with a pre-numbered identification sticker
- Performance of annual physical inventories are made
- Maintenance of a listing of expendable equipment (assets that do not meet the specified dollar amount to be classified as a capital asset, but require control) that could easily be misappropriated, as well as periodic inventory of this equipment
- Recording of donated capital assets at fair market value as of date of donation
- Insurance requirements for fixed assets are reviewed on an annual basis to ensure coverage is adequate

The Commission has developed a Capital and Depreciation Policy that provides further detail. The policy is regularly reviewed for updates by Commission staff.

H. Purchasing/Receiving

The Fresno County Ordinance 99-009, Section 2.38.020; Item (I) states: "The Commission shall develop purchasing and contracting policies and procedures consistent with applicable federal and state laws and regulations."

The Commission has developed the Procurement Policy and Procedures Manual which is updated annually by Commission staff and considered at a public meeting by the Commission. The competitive bidding process is used in acquiring goods and services based on certain dollar thresholds.

I. Public Relations Purchases

Expenditures submitted to the Commission for public/community relations expenses must be made in accordance with the funding source requirements, consistent with good business practice, and adhere to the Commission's Procurement Policies and Procedures, Conflict of Interest Policy, and this Policy as appropriate.

Where funds are received for research, grants, or special projects, additional documentation must be maintained as required by the entity providing the funds. In the administration of restricted funds, the Commission must maintain adequate documentation to be able to demonstrate that the expenditures are made in a manner consistent with the restrictive conditions.

In accordance with this section, allowable Commission expenditures may include, but are not limited to:

1. Membership and participation in the activities of community groups, including but not limited to service clubs, forums, and community-wide organizations of leading citizens in early learning, child development, education, business and/or government which serve the needs of young

children and their families and promote the engagement of the Commission within the community.

2. Commission programs/activities that promote and support optimal early childhood development, strengthening of the Commission's public relations; and/or donor cultivation and stewardship. Such activities may include, but are not limited to community receptions, cost of meetings, speaker fees, public ceremonies, Commission and committee meetings.
3. Hospitality expenses including the provision for meals, catered events, promotional materials, and other related expenses that are necessary to conduct official Commission business with external partners. Eligible costs associated with travel for guests of the Commission will adhere to the Commission's Travel Policies and Procedures Manual.
4. Promotional materials distributed to promote the name and brand of the Commission.
5. Flower/Plant purchases, with non-restricted funds, for official Commission functions such as community receptions, ceremonies, seminars, and other Commission events.

No reimbursement shall be allowed for the following expenses:

- Employee birthday, baby shower, wedding, wedding anniversary, etc.
- Clothing rental
- Political contributions
- Tobacco and alcohol purchases
- Daily reimbursement of lunches
- Amounts that are unreasonable given the circumstances in which the expenses were incurred and/or the benefit they provided to the Commission
- Membership or participation in organizations that discriminate based on race, color, religion, national origin, ancestry, age, gender, sexual orientation, marital status, veteran status, or disability

Refer to the Commission's adopted Community Event Sponsorship Guidelines for parameters on the activity/event-related support to community partners.

For the allowable expenditures described above, a Payment Authorization Form indicating the public relations purchase must be approved by the Executive Director or designee. The Executive Director or designee approving the authorization is responsible to ascertain the necessity and reasonableness of the authorization and that adequate documentation is attached to support the authorization.

The following justification information is required to be documented upon request for payment authorization of public relations purchases:

- **Purpose** - Be specific regarding the purpose for the expenditure. Generic statements such as "promotes positive relations", "community relations" or "employee relations" are not acceptable.
- **Relationship** - Names of the persons including their employer and occupation or title demonstrating the business relationship to the Commission.
- **Receipts** - Original receipts are required that include the amount, date, place and description of the expenditure. In cases where receipts cannot be obtained or have been lost, a statement to that effect shall be made and attached to the authorization.
- **Highest Position Responsible for Payment** - The highest-ranking Commission staff in attendance at a business-related activity is deemed to be responsible for making the payment to the vendor and he/she will subsequently seek approval to be reimbursed if needed with approval from their immediate supervisor.

J. Electronic Funds Transfer (EFT) – Automated Clearing House (ACH) Payments

Electronic Funds Transfer (EFT) is a system of transferring money from one bank account directly to another without paper money changing hands.

Automated Clearing House (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 utilizes EFT – ACH payments in lieu of issuing checks and mailing remittance. A check will be issued if no method of EFT exists, upon Executive Director's approval.

The Commission will make every effort to make all vendor payments through ACH. Vendors must submit an EFT Authorization Form to the Commission. The form is located on the Commission's website. It is the responsibility of the vendor 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.

K. Credit Cards

At times, the use of payment via credit card may be deemed necessary for recurring payments when ACH payment is not available. Credit cards are not intended for purchases that can otherwise be paid by issuing an EFT/ACH or check payment. Instead, they are intended to be used for vendors that do not accept these forms of payments, small purchases, travel, and emergency purchases.

A credit card will only be provided to the Commission's Executive Director and Business Director to provide a level of purchasing flexibility to conduct Commission business. Executive, and Business Directors utilizing agency credit cards will be solely responsible for the safeguarding of the credit card and account number, as well as complying with this Manual, internal procedures, and the Commission's Procurement Policies and Procedures Manual regarding purchasing, maintaining documentation, providing receipts, and reconciling the bill on a monthly basis. The Executive, and Business Directors will work with staff to assure procedures are properly followed. Once the monthly credit card statement is reconciled, the statement and all purchases must be reviewed and approved for payment by the designee.

Use of the business card for personal reasons is not permissible at any time, even with intention of seeking reimbursement.

If the Executive, or Business Directors terminates employment with the Commission, the credit card must be surrendered to the Commission immediately for cancellation.

L. Accounts Payable/Cash Disbursements

Invoices received for goods and services are approved by the Executive Director or designee and forwarded for payment processing. The following table outlines the procedures for processing accounts payable and the associated four methods of cash disbursement:

1. The invoice is received and F5FC staff reviews the invoices and approves that the goods have been received or/and services have been performed. Then the invoice is forwarded for processing.

2. The Business Specialist/Manager reviews the invoice for accuracy and matches the invoice to the supporting documentation and authorization to pay information. The Business Specialist/Manager enters the invoice into the accounting system and prepares the Open Invoice Report for payment and forwards the report to the Business Manager/Director.

3. The Business Manager/Director reviews all invoices for completeness and accuracy. The reviewed invoices are submitted to the Executive Director and/or designee with all invoices and supporting documentation for approval.

4. The Executive Director or designee reviews the Report and approves payments in the Commission's accounting system. A secondary approval is completed by the Early Childhood Initiatives Director or designee. The Executive Director and designee emails the Business Manager/Director documenting approval of invoices in the accounting system.

5. Upon receiving approval from the Executive Director and designee, the Business Manager/Director releases all payments and saves payment receipts/confirmation reports.

	EFT/ACH and Wire Transfers	Online (Bank Draft)	Credit Card	Check
6.	The Business Director/ Manager creates and exports ACH files from the accounting database system in the proper ACH format. The ACH file is imported and transmitted directly to the bank.	The Business Director/ Manager processes payment online.	The Business Director/ Manager processes payment over the phone or online.	The Business Director/ Manager prints checks and forwards to Executive Director and designee for signatures, tracking the handling of checks via the check tracking stamp.
7.	Transaction is confirmed with the bank and the ACH Batch Summary Report is saved in the ACH bidder/payments folder.	Receipt is retained.	Receipt is retained.	The Business Manager/Specialist prepares each check for mailing utilizing the check tracking stamp.
8.	Payment notifications are emailed to vendors. Paid invoices are filed.	Paid invoices are filed.	Paid invoices are filed.	Paid invoices, check stubs, and check tracking documentation are filed.

M. **Payroll**

The Commission utilizes a contracted payroll service to process payroll. Payroll is processed every two weeks. Physical control over personnel records is limited.

Following are procedures related to the payroll function:

1. Time is entered into the payroll system and payroll is prepared for review by the Business Director or designee.
2. The Executive Director or designee reviews, approves, and signs the draft payroll ~~check~~ register/ journal.

3. The Business Director or designee processes and submits payroll.
4. Paid time off (PTO) accrual is then reconciled for accuracy by the Business Specialist/Manager. Pay stubs are delivered by the payroll service or electronically and payroll direct deposit is issued every other Friday. If check stubs are delivered physically, a staff member, who is independent of the preparation and authorization of the payroll submission, distributes payroll remittances.
5. Payroll reports prepared by the payroll service are reviewed by the Business Manager, not responsible for entering/submitting payroll, for any unusual items. If any unusual items occur, they should be remedied with the staff submitter or otherwise reported to the Executive Director.
6. The Business Manager prepares and posts journal entries for all payroll liabilities and expenses to be reflected in the accounting system.

Payroll increases follow the established Compensation Policy and are then documented in memo format and submitted to the Executive Director for approval. Changes to the Executive Director's payroll is authorized by the Commission. The staff member who maintains personnel files will place the original payroll increase memos in personnel files.

N. Salaries and Benefits Policy

The Commission has developed, and appropriately considered at a public meeting, a Compensation Policy, as amended, to state procedures and policies for establishing salaries. Details regarding employee benefits are outlined in the Commission's Employee Handbook.

O. Compensated Absences

Compensated absences are absences for which employees will be paid, such as paid time off (PTO). A liability for compensated absences for services already rendered and that are not contingent on a specific event shall be accrued as employees earn the rights to the benefits. The compensated absence liability shall be calculated based on the pay or salary rates in effect at the balance sheet date. Staff can reference additional details found within the financial statements included in the annual audit report.

P. Accounting for Leases

Leases entered into by the Commission are accounted for pursuant to GASB standards. A lease is defined as a contract that conveys the control of the right to use another entity's nonfinancial asset (the underlying asset) as specific in the contract for a period of time in an exchange or exchange-like transaction. Commission staff shall refer to GASB standards and guidance when accounting for leases.

Q. Travel/Expense Reimbursements

Commissioners and staff are authorized to receive reimbursement for travel and business expenses incurred while attending official functions, as long as the expenses are reasonable, prudent, and appropriate for the business of the Commission. Travel expense reimbursements by Commission staff and Commission members shall be properly authorized. Authorization for travel is approved by the Executive Director or designee for all employees. The Commission approves travel for Commissioners through the budget process. When possible, the Executive Director shall notify the Commission prior to incurring out of County travel-related expenses. In the event such notice is not possible, the designee shall sign off on the travel and then report to the Commission at the next

regularly scheduled meeting. Further travel-related expense procedures can be found in the Commission's Travel Policy and Procedures Manual that is maintained and updated as needed by Commission staff.

R. **Debt**

The General Long-Term Debt Account Group is used to record liabilities of governmental funds. These liabilities may be long-term debt such as bonds and notes or long-term liabilities such as leases, claims and judgments, personal and major medical leave, and pension costs.

General fixed assets acquired via lease agreements shall be capitalized in the General Fixed Asset Account Group as discussed above. Additionally, a liability in the same amount shall be recorded simultaneously in the General Long-Term Debt Account Group.

S. **Journal Entries**

Journal entries may be performed in order to bring an account to the correct balance and to record monthly activity. An adjusting journal entry is prepared for these types of changes. Monthly journal entries are prepared to record the monthly activity.

Staff prepares adjusting and monthly journal entries within the accounting system on an as needed basis. Journal entry supporting documentation is filed/saved upon entry into the accounting system.

4. CONTRACT ADMINISTRATION

The purpose of this section is to set forth recommended contracting and contract administration guidelines for the Commission. The guidelines are based on best practices in public procurement. Best practice in governmental contracting requires a selection process that is based on the open and fair identification and selection of vendors qualified to render a particular service, taking into consideration both technical qualifications and price.

A. **Procedures**

1. Provider Selection

The Commission has developed the Procurement Policies and Procedures Manual based on best practices in public procurement which clearly identifies and describes the different methods of the administrative and programmatic procurement and contracting process. The Manual is reviewed and updated annually, if needed, by the Executive Director and/or the Commission. Details can be found within the Manual.

B. **Contractor Payments**

1. Advance Payments

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

Advance funds are contingent upon the Commission's availability of cash flow. Approval is contingent upon the Funded Partner's performance in meeting contractual requirements and is based on the nature of each project.

A single cash advance usually consists of 25% of the annual contract amount and may not exceed 50 percent of the agreed upon annual contract amount. Once 50% of the annual contract amount has been advanced, additional funds will not be released until 75 percent of the released funds have been expended and reported. The final quarter advance of the fiscal year will only be two-thirds of the quarterly advance amount. The last month of each fiscal year is on a reimbursement basis. Based on the service or agreement type, Commission staff has the authority to set the frequency and amount of the advance.

If, at the end of the contract period (i.e. fiscal year), the Funded Partner has not utilized any portion of the funds advanced, the Funded Partner 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. Other details on advances are outlined in the Commission's Funded Partner Manual.

2. Progress Payments

Funded Partners formally request reimbursement for services by submitting an invoice via the Commission's online programmatic database, unless advised otherwise. Funded Partners are required to upload expense details, which produces a report comparing actual expenditures to the project budget.

Payments of invoices are contingent upon compliance with all contractual requirements, including the achievement of performance standards and the timely submission of program data and fiscal reports. The Commission staff contract managers verify satisfactory progress has been made toward project objectives, as determined by the Commission's performance monitoring and reporting system and verify that all reported expenditures are allowable under the terms of the contract.

Contractor reimbursement process as follows:

a. A program progress report, as defined in the contract (which could be monthly, quarterly, or semi-annually), is required to be submitted by each Funded Partner by certain dates specified in the contract.
b. The request for reimbursement (financial report) documents the Funded Partner's outlays for the period, by budget line item, and includes any disbursement amounts received and any reimbursements due (documentation is required by each Funded Partner to support the expenditures referenced on the financial status report).
c. The contract manager reviews the Funded Partner's request for reimbursement (financial report) to verify the accuracy of the report.
d. The contract manager;
    1. Verifies that satisfactory progress has been made toward project objectives.
    2. Approves the request for reimbursement.
    3. Prints/saves the approved financial report and the reimbursement summary for review.
e. The approved financial report is then forwarded through the process outlined in the Accounts Payable/Cash Disbursements section of this Manual.

C. **Budget Modifications**

Funded Partner budget modifications are required when any main line item (Personnel, Operating Expenses, Professional Services, Evaluation, Capital, Equipment, and Indirect) is anticipated to exceed $5,000 (for contracts that are over $250,000) or 10% (for contracts under $250,000). Changes within sub-line items (Salaries, Benefits, Payroll Taxes, Operational Expenses, Travel/Training, Misc. Charges, and Program Expenses) do not require a budget revision.

Budget modification requests are considered as follows:

- Submission of a Contract Amendment Request (CAR) form prior to the submission deadline (Deadlines may be found on the Commission's website)
- Reasonable and necessary movement of funds throughout the budget excluding the increase/decrease of the Personnel category that would require additional rationale
- Submission of a revised Scope of Work, if necessary
- Requests are submitted prior to expenses incurred allowing the Commission to determine its appropriateness and minimizing any disallowed costs to the Funded Partner

Budget modifications are reviewed by the F5FC contract manager and approved by the Executive Director or designee, based on appropriate justification.

D. **Authority**

The Executive Director has been delegated the authority by the Commission to execute program contracts and amendments to those contracts as long as there are no material changes in the scope of work or dollar amounts does not exceed the original approved contract amount. The Executive Director has been delegated the authority by the Commission to execute operating contracts that are administrative in nature and affect the day-to-day operations of the Commission (no dollar limit).

E. **Contract Management**

1. Contract Term. Upon a contract's renewal period, if staff is unsatisfied with performance, staff will contact the contractor and schedule a review of the matter which will be presented to the appropriate committee. Otherwise, the Commission delegates staff to renew agreements within the originally approved term, including its approved renewal period, and within the approved contract amount without additional Commission approval.

2. No Cost-Extension. In the event a contract requires additional time to meet the agreed upon intent of the funding opportunity, staff may extend the agreement term without additional Commission approval so long as staff is satisfied with performance and no additional dollars are added to the originally approved contract amount.

Process to execute contracts including signatures by Legal Counsel and Commission Chair will still be followed, as required based on contract amounts.

5. FINANCIAL REPORTING

The goal of the accounting process is to produce financial reports, which accurately summarize the financial position of the organization at a particular point in time and provide information related to the revenues and expenditures for the reporting period.

A. Legal Requirements

California law requires that the State and local county Commissions adhere to specific reporting requirements (California Code Health and Safety Code Sections 130100-130155). The following are statutory requirements for financial reporting:

- Counties are to have a process to track and monitor administrative costs with periodic reports to the Commission (quarterly in many counties) (Section 130140(d)(5)) and 130151(b)(2).
- Policies are needed to assess and communicate the financial condition of the Commission (Section 130151(b)(6))
- Commissions are to track evaluation expenditures and document results of expenditures (Section 130151(b)(7))
- County Commission Reporting. On or before October 15 of each year, the State Commission and each county Commission shall conduct an audit of, and issue a written report on, the implementation and performance of their respective functions during the preceding fiscal year. At a minimum, this report shall include which funds were expended, the progress toward and the achievement of program goals and objectives, and the measurement of specific outcomes through appropriate indicators (Section 130150).
- The County Commission shall conduct at least one public hearing prior to adopting any annual audit and report (Section 130140 (G))
- Each County Commission shall make copies of its annual audits and reports available to members of the general public on request and at no cost (Section 130150 (d))
- The audits and reports of each county Commission shall be transmitted to the State Commission and the State Controller's Office by November 1 (Section 130150 (a))
- County Commission Reporting of State Commission Information. The State Commission shall make copies of each of its annual audits and reports available to members of the general public on request and at no cost. The State Commission shall furnish each county Commission with copies of those documents in a number sufficient for local distribution by the county Commission to members of the general public on request and at no cost (Section 130150 (c)).
- The County Commission shall conduct at least one public hearing on each annual report by the State Commission prepared pursuant to subdivision (b) of Section 130150 (Section 130140 (H))

B. Procedures

Annual financial statements are prepared in accordance with GAAP. Likewise, annual financial statements are independently audited in accordance with generally accepted government auditing standards (GAGAS).

To supply appropriate individuals with the right information, at the proper time and in the correct format, the Commission reports their financial information at regular Commission meetings and on an annual basis within the audit report. Specifically, management will take steps to achieve the following goals for external and internal reports:

- *Content* – financial reports balance competing demands for completeness and conciseness

- *Timeliness* – information is received soon enough to take effective action
- *Currency* – the information communicated is current
- *Accuracy* – the information is reliable
- *Access* – the information is accessible to those who need it

1. External Reporting

External reporting refers to the annual public distribution of "general-purpose" financial statements designed to meet the basic financial information needs of a variety of potential users, including taxpayers and citizens, oversight and legislative bodies, and investors and creditors. The goal of external reporting is to provide the information needed by interested parties to gain a fair understanding of the government's financial position and results of operations. External reports are developed in conformity with GAAP. GAAP requirements are designed to provide all primary users of general-purpose external financial reports with the reliable information needed to assess an entity's finances.

a. Audit - Audit Requirements

All Commissions are required to conduct an independent audit of the basic financial statements. The audit requirements refer to an external review required by an independent audit firm to determine that the financial statements fairly present the financial position of the agency being audited in accordance with GAAP. Auditors make this determination based on a review and testing of financial data maintained by the Commission.

Particular audit requirements include: internal controls, management letter, single audit, and acceptance of annual financial audit by the Commission.

b. Expanded Audit

In addition to the standard financial audit, the Commission is also required to go through an expanded audit per state code section 130151 (1 through 8).

The Commission contracts with that same auditor to complete the financial and expanded audits, and both are presented and submitted as one package. The Commission views the expanded and financial audit as one audit with two components: 1) the financial audit, which is monitored by First 5 California, and 2) the compliance audit, which is monitored by the State Controller's Office (SCO).

The expanded audit covers the following items:

- Contracting and procurement policies: a policy consistent with state law and adopted in a public meeting and a legal representation letter shall be in place. A new legal representation letter is required annually even if the policy did not change.
- Administrative costs: administration costs shall be defined and a cap shall be established at a public meeting. Costs shall be monitored.
- County ordinance creating county Commission: policies and procedures ensure compliance with the county ordinance. The auditor reviews the Commission's strategic plan.

- Long-range financial plans: the plans have been formally adopted by the commission in a public hearing.
- Financial condition of the Commission: policies and practices for reporting financial condition are in place.
- Amount spent on program evaluation and related results: a policy regarding evaluation is available to the auditor. The auditor verifies that the amount spent on evaluation complies with the policy and that evaluation data was collected.
- Salaries and benefits: policies and procedures for establishing employee salaries and benefits are in place.
- When audit findings have been reported in prior years, the current audit report must include a schedule of prior audit findings.

Per expanded audit requirements, the Commission has adopted the Conflict of Interest Policy for Commission members that is consistent with applicable state law. The Policy ensures the Commission complies with all applicable state and local conflict of interest statutes and regulations. The Conflict of Interest Policy is reviewed and updated every two years. The policy is in compliance as follows:

- The Conflict of Interest Policy was adopted in a public meeting (minutes of the meeting are available for auditors) and available to auditors
- Obtain a letter from legal representative that states that Commission's policy is consistent with applicable state and local laws and regulations on an annual basis
- Minutes documenting appropriate abstentions for contract award actions are available
- Review Form 700 (economic interest) filings

2. Internal Reporting

This section does not represent reporting in accordance with GAAP, but rather reporting in accordance with budgeting processes. As was noted earlier, external financial reports that follow GAAP generally have a different look and focus than the internal reports. Internal reporting is designed to accomplish two goals:

a. Allow management to monitor compliance with legal and contractual provisions applicable to the management of public funds
b. Provides management and the Commission with the information on current performance data that it needs to make future financial plans

To fulfill this goal staff prepares a financial report and submits the report to the Executive Director for review. Upon the Executive Director's approval, a final financial report is prepared for submission and acceptance at the Commission meeting.

C. Administrative Costs

Under the First 5 Fresno County (F5FC) Strategic Plan, the role of Commission staff is broader than just that of contract development and oversight and includes support of programmatic services on many levels and running internal programs. The definition of administrative costs simplifies program administration in the way program services will be delivered under the Commission's strategic plan.

1. Defining Administrative, Program, and Evaluation Costs

As a result, the Commission has adopted a written policy that defines administrative costs and sets a 10% limit for administrative costs. Below are definitions for the three cost categories of which the Commission allocates costs.

a. Administrative Costs- Costs incurred for administrative functions defined (below) by the local Commission in support of funded programs and its operations. Administrative costs are general in nature. This principle distinguishes between those costs that specifically and directly benefit a business unit, program, or evaluation activity from those that do not. Administrative costs support the Commission's basic mission rather than specific program goals. This principle distinguishes between the nature of costs that provide direct value to achieving specific program goals and objectives from those that do not.

   Administrative functions performed are the following: general accounting/financial reporting; local annual reporting activities; financial planning; Commission/Association meetings and travel; human resources services; legal services and consulting; audit; strategic planning; financial and cash management; procurement and purchasing; property management; payroll and personnel management; developing and operating systems and procedures, including information systems, required for administrative functions; and oversight and monitoring of administrative functions. Only these administrative functions are to be charged as administrative costs.

b. Program Costs- Costs incurred by the Commission readily assignable to a program or Funded Partner (other than for evaluation activities) and/or in the execution of direct service provision. Even though they are often associated with general organizational management, two types of costs that are typically classified as administrative costs, preparing program-level budgets/program scopes of work, and negotiating MOU's and other program-level agreements, are classified as program cost. Costs of such activities as information systems development and operation, travel, and evaluation are charged to program costs or administration costs, according to whether the underlying functions which they support are classified as programmatic or administrative. Program functions include direct services, program outreach and education, program and community agency technical assistance and support, and program database management.

c. Evaluation Costs- Costs incurred by the Commission in the required evaluation of funded programs based upon their accountability framework and data collection and evaluation for required reporting to state and local stakeholders. Evaluation functions include evaluation technical assistance, evaluation database, and travel and training related to evaluation.

2. Organizing Procedures and Accountability Mechanisms

To ensure accountability, Commission staff abide by the following guidelines:

a. Establish cost elements for each of three categories: administrative, program, and evaluation.

b. Conduct analysis to determine and document an upper percentage limit for administrative costs.
c. Establish within the accounting and reporting system a methodology for tracking and reporting on program, administrative, and evaluation costs.
d. Maintain auditable records to ensure compliance with the administrative cost policy.
e. Provide annual reports on administrative and evaluation costs that go to the public (budgets and annual financial reports).

D. Fund Balance

The Fund Balance includes funds committed for multi-year initiatives and programs. Proper reporting of fund balance provides an opportunity for the Commission to report how it has committed funds over a period of years.

The total fund balance represents the value of the funds available to the Commission. Fund balance is broken down into five components, nonspendable, restricted, committed, assigned, and unassigned. Each component is defined below.

1. Nonspendable Fund Balance

The nonspendable fund balance is defined as only an approximate measure of liquidity. One reason is that some of the assets reported in governmental funds may be inherently nonspendable from the vantage point of the current period:

a. Assets that will never convert to cash (e.g. prepaid items and inventories of supplies)
b. Assets that will not convert to cash soon enough to affect the current period (e.g., the long-term portion of loans receivable and non-financial assets held for resale, such as foreclosure properties)
c. Resources that must be maintained intact pursuant to legal or contractual requirements (e.g. principal of an endowment or the capital of a revolving loan fund)

The key defining concept of nonspendable funds is that it is the legal obligation for the Commission, based on an executed contractual agreement. Examples of nonspendable funds include, but are not limited to:

a. Future payments due to providers of services to children and families
b. Future payments due on professional services contracts
c. Future payments due under lease arrangements

In all cases, amounts can only be classified as nonspendable if (a) there is a fully executed written contract or purchase order detailing obligations, (b) the payment obligation is not due in the current period, and (c) it is probable or expected that future expenditures will be made in accordance with the contract terms. The latter provision means that if it is likely that a contract will be amended or terminated before all scheduled payments are made, the encumbrance must be limited to the total amount of payments that are expected to actually be incurred (if less than the full contract value).

2. Restricted Fund Balance

The restricted fund balance is defined as amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation. The restricted fund balance describes the portion of the fund balance that reflects resources that are subject to externally enforceable legal restrictions. Funds that have been received by the Commission from sources other than the county's proportionate share of Proposition 10 revenues and that contain restrictions imposed by the funding source regarding how the money can be used, by definition, are committed to the purpose designated by the funding source. Examples that fall into this category include but are not limited to:

a. Money received from the State Commission for specific programs or initiatives, such as school readiness, or quality child care funds, that must be used exclusively for the purpose designated by the State Commission
b. Grants received from private foundations that contain restrictions in the grant agreement regarding how the funds may be used

3. Committed Fund Balance

The committed fund balance is described as the portion of the fund balance that represents resources constrained by limitations that the government imposes upon itself at its highest level of decision making (the Commission) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation would need to occur no later than the close of the reporting period.

This category covers situations in which the Commission has explicitly authorized and directed staff to enter into an agreement with a specified agency, but the contract has not actually been executed. In order to be categorized as committed, funds must meet the following requirements:

a. Formal action to approve the grant(s) and contract(s) must have been taken by the Commission and reflected in the public meeting minutes.
b. The grant(s) and contract(s) must not have been executed yet, thereby avoiding any double-counting. These funds must be executed within a one-year period. After the one-year period funds will be designated to the unassigned fund.
c. Funding that has been set aside for previously executed legally enforceable contracts but not yet spent, including multi-year contracts, if such contracts have been approved by the Commission and if cancellation of such contracts would require Commission approval.

4. Assigned Fund Balance

The assigned fund balance is the portion of the fund balance that reflects the Commission's intended use of resources. Such intent would have to be established by either the Commission or by a body thereof (e.g., finance committee).

There are two essential differences between committed fund balance and assigned fund balance. First, committed fund balance requires action by the Commission, whereas assigned fund balance allows the authority to be delegated to some other body. Second, formal action is necessary to impose, remove, or modify a constraint reflected in committed fund balance, whereas less formality is necessary in the case of assigned fund

balance. Funds are appropriately included in this component if they fall under one of four types:

a. Funds to operate a specific program or project in the current or future fiscal years that have not yet been committed or authorized for definite contracts, where all the following criteria are met:

    - A written plan has been developed describing the program or project and the time period covered by the plan
    - The plan contains a detailed budget or expenditure plan showing the amount of funds expected to be expended and the nature of the expenditures for each fiscal year covered by the plan
    - The Commission has formally approved the plan and budget in a public meeting, as documented in the meeting minutes
    - The Commission certifies that it intends, to the best of its ability, to expend the funds in accordance with the plan and budget

b. Funds that have been set aside for long-term program sustainability, where all of the following criteria are met:

    - A long-range financial plan has been prepared that shows the specific dollar amounts that must be reserved for program sustainability in each of the early years of the plan, the timing for when sustainability funds will start to be drawn down, and the nature of the expenditures that are envisioned in each year covered by the plan
    - The Commission has formally approved the long-range financial plan in a public meeting, as documented in the meeting minutes
    - The Commission certifies that it intends, to the best of its ability, to manage the sustainability fund in accordance with the provisions of the long-range financial plan
    - The Commission has adopted its annual budget consistent with the assumptions and plans

c. Funds that are established to handle unexpected debts that are outside the range of the Commission's operating budget. The funds are to protect the Commission against any possible losses in the event of an emergency situation. Details of the funds are outlined in Section E & F within this Policy.

d. Funds designated specifically to fill any gaps of existing and future capital projects. The account is established to accumulate resources on an annual basis from year end de-obligations. Use of funds must be approved by the Commission.

5. Unassigned Fund Balance

The unassigned fund balance represents funds that can be spent at the discretion of the Commission. This category includes the remainder of the fund balance: funds that either have not yet been allocated for a specific purpose or have been identified in only a general manner where the Commission has significant flexibility in changing the amount or nature of the designation.

E. Contingency Fund Policy

1. Definition and Purpose of Contingency Fund

In an effort to be proactive, the Commission has set aside a fund to handle unexpected debts that are outside of the Commission's operating budget. The funds are to protect the Commission against any possible losses in the event of an emergency situation. To ensure the Contingency Fund reflects the Commission's administrative costs as well as facility management costs associated with the Commission-owned Lighthouse for Children (LFC) facility ~~owner~~, funds are set aside to allow for a quicker and more effective recovery from an operational setback. The probability of a significant business disruption is small; however, having a Contingency Fund may save the Commission from potential failure to recover in the event that a risk materializes.

2. Contingency Fund Target Level

The Contingency Fund shall remain at $1,~~000~~500,000 (one million five hundred thousand dollars) as approved by the Commission. The balance of the fund represents approximately four (4) to six (6) months of both the Commission's operational budget and the operation costs of the LFC facility. Commission staff will review the fund amount at minimum every two years. If a change to the fund amount is warranted, for example due to a significant change in these budgets, Commission staff would be required to seek approval from the Commission during the formal budget modification process.

3. Conditions for Use of Contingency Fund

Use of funds will be determined by circumstance and level of severity with the following criteria. Please note this list is non-exhaustive.

Table 1 – Contingency Fund: Conditions for Use

Moderate	Severe
• State and local legislation affecting revenue or requiring compliance • Lawsuits against F5FC or LFC • Unexpected default or a decline in State and local revenues	• Unanticipated major repairs or replacement of an asset used in the daily operations of the building or service to the staff • Acts of terrorism against the building or other infrastructure causing a financial hardship • Natural disasters • Expenditures arising from a claim or judgment that is otherwise not covered by insurance

The Contingency Fund shall be reported in the Committed Fund Balance in the agency's budget at the beginning of each fiscal year. The fund may not be used to address anticipated Proposition 10 revenue shortfalls. Imbalances of this nature are generally addressed through a formal budget modification process. Appropriations for program service expenses are independent of the Contingency Fund as they are considered relevant to the Strategic Reserve Fund.

If a need arises for the potential drawing of funds allocated to the Contingency Fund outside of the above-mentioned guidelines, Commission staff shall present the request to the Commission for consideration and approval at a regularly scheduled meeting.

4. Authority of Contingency Fund Use

For unanticipated circumstances considered moderate, as described in Table 1, staff must seek approval from the Commission prior to use of the Contingency Fund.

For unanticipated circumstances considered severe, as described in Table 1, and that require immediate redress, the Executive Director or designee shall exercise full discretion of its appropriation in order to mitigate substantial loss of productivity. The Executive Director must report to the Commission, at the next regular meeting following the use of funds, with full explanation on how the portion of the Contingency Fund was used or is being used.

For any method employed, the process of appropriating the Contingency Fund will adhere to the guidelines within this manual to minimize risk while striving to safeguard the Commission's assets.

5. Contingency Fund Replenishment

In the event the Contingency Fund or a portion thereof is used, Commission staff will aim to restore the fund to the recommended amount, mentioned above, by the closure of the fiscal year, only if there are enough cost savings available for replenishment without impacting other budgetary commitments. If restoration cannot be accomplished within such time without severe hardship to the Commission, staff will prepare a financial plan to restore the Contingency Fund in the subsequent fiscal years until the target level is met.

F. Strategic Reserve Fund

1. Definition and Purpose of Strategic Reserve Fund

The Commission sets aside a fund to guard against any future immediate and unanticipated Proposition 10 revenue deficits or shortfalls. Funds are set aside to allow for a quicker and more effective recovery from programmatic setbacks. The probability of a significant business disruption is small; however, having a Strategic Reserve Fund may save the Commission from potential failure to recover in the event that a deficit materializes.

2. Strategic Reserve Fund Target Level

The Strategic Reserve Fund shall remain at $2,000,000 (two million dollars) as approved by the Commission. If a change to the fund amount is warranted, for example due to a significant change in these budgets, Commission staff would be required to seek approval from the Commission during the formal budget modification process.

3. Conditions and Authority of Strategic Reserve Fund Use

Use of funds will be determined by the Commission based on circumstance and level of severity. The Strategic Reserve Fund shall be reported in the Committed Fund Balance in the agency's budget at the beginning of each fiscal year.

If a need arises for the potential drawing of funds allocated to the Strategic Reserve Fund, Commission staff shall present the request to the Commission for consideration and approval at a regularly scheduled meeting.

The process of appropriating the Strategic Reserve Fund will adhere to the guidelines within this manual to minimize risk while striving to safeguard the Commission's liabilities.

4. Strategic Reserve Fund Replenishment

In the event the Strategic Reserve Fund or a portion thereof is used, Commission staff will aim to restore the fund to the recommended amount, mentioned above, by the closure of the fiscal year, only if there are enough cost savings available for replenishment without impacting other budgetary commitments. If restoration cannot be accomplished within such time without severe hardship to the Commission, staff will prepare a financial plan to restore the Strategic Reserve Fund in the subsequent fiscal years until the target level is met.

G. Record Retention

Financial records are required to be retained a minimum of five years after the annual audit and are subject to inspection, monitoring, copying and audit by the Bureau of State Audits.

APPENDIX A

Glossary of Terms

Accounting Procedures
The day-to-day operation of a particular system so that accounting information will be reflected in the accounting records in a consistent, proper and orderly manner.

Accounting System
All the records, formal and informal, together with the procedures related to the assembling, classifying, recording and reporting of information concerning the financial operations and conditions of a fiscal entity.

Accrual Basis of Accounting
Transactions are recorded when they occur regardless of when cash is paid or received. The Commission uses a modified form of accrual accounting (see Modified Accrual Basis) for Governmental funds. However, the accrual basis of accounting is used for the preparation of annual government-wide financial statements where governmental reported (governmental activities are defined later).

Administrative Costs
Costs incurred for a common or joint purpose that benefits more than one cost objective, supports the general management and administration of the Commission, and/or those costs not readily assignable to a specifically benefited cost objective.

Advance Payment
Any payment made to a contractor before work has been performed or goods have been delivered.

Appropriation
A statutory authorization granted by the legislative body to an agency allowing it to incur obligations and make expenditures for specific purposes within a specified period of time and generally for a maximum dollar amount.

Assigned
Amounts that are intended by the Commission to be used for specific purposes, but are neither restricted nor limited, shall be reported as assigned fund balance. Intent may be expressed by the Commission itself or a subordinate high-level body or official possessing the authority to assign amounts to be used for specific purposes in accordance with policy established by the Commission. This would include ANY activity reported in a fund other than the general fund that is not otherwise restricted more narrowly by the above definitions.

Automated Clearing House (ACH)
ACH payment is the method of electronic remittance to individuals or entities that are made electronically within the banking system.

Balance Sheet
The financial statement disclosing the assets, liabilities and equity of the governmental funds (which includes general funds and special revenue funds). Governments are also required to disclose assets, liabilities and equity on a "government-wide entity" basis, using accrual accounting. This is known as the Statement of Net Assets.

Budget
A plan of proposed expenditures and the means of financing them with respect to a specific period of time.

Cash
Currency, checks, postal and express money orders, and banker's drafts on deposit.

Capital Assets
Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Capital assets historically were also referred to as fixed assets, but that terminology is no longer used in practice.

Cash Basis of Accounting
Basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.

Chart of Accounts
A numeral listing of all assets, liability, fund balance/equity, revenue and expenditure accounts used to record accounting transactions.

Committed
Includes amounts that are committed for specific purposes by formal action of the Commission. Amounts classified as "committed" are not subject to legal enforceability like restricted fund balance; however, those amounts cannot be used for any other purpose unless the Commission removes or changes the limitation by taking the same form of action it employed to previously impose the limitation.

Compensated Absences
A liability for future personal, major medical and other leave benefits accrued by an employee and for which the employee may be paid upon termination of employment.

Contingency
A provision to cover an unexpected expense, future event or circumstance that is possible but cannot be predicted with complete certainty.

Contract
A legally binding agreement between two parties for the provision of goods or services.

Electronic Funds Transfer (EFT)
EFT is a system of transferring money from one bank account directly to another without paper money changing hands.

Encumbrances
Contractual obligations to make future payments. Encumbrances represent the estimated amount of future expenditures that will result when, for example, purchase orders are placed and contracts are signed. Since the amount of an appropriation cannot be legally exceeded, the placing of purchase orders and the signing of contracts are critical events in controlling the Commissions' funds. The financial resources of a fund are said to be encumbered when a transaction is executed that requires performance on the part of another party before the Commission becomes liable to perform its part of the transaction (make payment to the entity).

Evaluation Costs
Costs incurred by the Commission in the evaluation of funded programs, in accordance with their accountability framework, and data collection and evaluation for required reporting to state and local stakeholders.

Expenditures
Take place when a vendor or contractor performs on a contract or a purchase order, as well as when goods or services are received. An expenditure and a corresponding liability or cash disbursement will be recorded at the time goods or services are received or at the time funds are granted to an authorized recipient.

Fiduciary Funds
Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the Commission's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Fixed Assets
Assets of a long-term nature which are intended to be held or used. These include land, buildings, improvements, machinery, furniture and other equipment.

Fund Balance
The value of the funds available to the Commission. Fund balance is the difference between fund assets and fund liabilities of governmental funds.

GAAP
Abbreviation for "Generally Accepted Accounting Principles," which are conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The Governmental Accounting Standards Board (GASB) is responsible for setting GAAP for state and local governments.

Governmental Accounting Standards Board (GASB)
Ultimate authoritative accounting and financial reporting stand-setting body for state and local governments. The GASB was established in June 1984.

Governmental Accounting
The activity of analyzing, recording, summarizing, reporting and interpreting the financial transactions of governmental units and agencies.

Governmental Funds
Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

Internal Control
The methods and measures adopted within a fund or agency to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.

Long-term Financial Plan
A plan that assesses the long-term financial implications of current and proposed policies, programs, and assumptions and develops appropriate strategies to achieve its goals. A financial plan illustrates the likely financial outcomes of particular courses of actions or factors affecting the environment in which the government operates. A financial plan is not a forecast of what is certain to happen but rather a device to highlight significant issues or problems that must be addressed if goals are to be achieved.

Modified Accrual Basis of Accounting
The basis of accounting adapted to government fund accounting where revenues are recognized when received in cash or when resources are considered available (except for material or available revenues which shall be accrued to reflect properly the taxes levied and the revenues earned – not applicable to county Commissions). Expenditures are recognized when the related fund liability is incurred.

Non-Spendable
Includes amounts either not in spendable form or legally or contractually required to be maintained intact. This would include inventory, prepaids, and non-current receivables.

Program Costs
Costs incurred by the Commission readily assignable to a program, grantee, or Funded Partner (other than post-contract program evaluation activities) and/or in the execution of direct service provision.

Progress Payments
Partial payments related to steps or phases toward the completion of the required services under a contract.

Progress Reports
A report on contract performance or fiscal compliance made at specific interval during the term of a contract.

Proprietary Funds
Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Purchase Order
A document that authorizes the delivery of specified merchandise or the rendering of certain services.

Reserve Fund Balance
The portion of a government funds' balance that is not available for appropriation (i.e., not available for the following period's budget). Legal restrictions or even third-party entities may impose a limitation on the use of funds or resources that may not be available for spending.

Restricted
Reflects the same definition as restricted net assets: constraints placed on the use of amounts are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. This would generally include amounts in bonded capital projects funds, debt service funds, and cafeteria and center program funds funded with federal program dollars.

Statement of Activities
A government-wide presentation of its activities by function or program using the accrual basis of accounting. The statement presents revenues, expenditures, and a reconciliation of net assets.

Statement of Net Assets
The government-wide presentation of assets, liabilities and equity of governmental activities which includes all funds. It is the government-wide balance sheet. The Statement of Net Assets is presented on an accrual basis.

Statute
A law enacted by the legislature.

Unassigned
Includes any remaining amounts after applying the above definitions. Planned spending in the subsequent year's budget would be included here and can no longer be described as "designated" unless formally committed or assigned.

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

FINANCE AND PROGRAM REVIEW COMMITTEE MEETING
January 17, 2024 – 11:00 a.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 6

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Agreement Renewal with Fresno County Department of Public Health – Home Visiting

RECOMMENDED ACTION:

Approve, for full Commission consideration, an agreement renewal with the County of Fresno, Department of Public Health (DPH) to provide public health nursing home visitation services to families with young children across Fresno County, in an amount not to exceed $3,000,000 for two years with the option to renew for an additional year based on performance and availability of funds.

BACKGROUND:

Voluntary, prevention-based home visitation programs pair a dedicated support person with expectant families and families with young children, building trusting relationships to identify and support their health and well-being goals. Along with First 5 Commissions across the state, First 5 Fresno County has long invested in home visitation, which continues to be cited as an effective strategy for increasing positive outcomes in maternal and child health, school readiness and family wellbeing by providing critical two-generation support and mitigating trauma. [1,2,3] Locally, home visitation is named as one of four priorities in the Fresno County DRIVE (Developing the Region's Inclusive & Vibrant Economy) Pre-conception to Five Investment Plan, with the intent to dramatically scale home visitation services (both nurse and para-professional models) countywide.

While California has made recent historic investments in expanding home visiting programs, only a limited number of families can access these critical supports. As Proposition 10 revenues decline, it is paramount that local Commission dollars leverage state, federal and other funding to expand the impact and reach of each investment. Locally, the County of Fresno, Department of Public Health (DPH) is a lead provider of both evidence based and community informed early childhood home visitation programs, leveraging federal funding with local funding.

In December 2019, as part of the 2020-2025 strategic plan direct service investment area, the Commission approved an agreement with DPH for $1,500,000 to provide home visitation programs for one year with the option to renew for an additional year. This agreement was most recently renewed for two years in January 2022, with a term date of June 30, 2024. By partnering with DPH, the Commission is able to leverage approximately one million dollars in annual federal funding to further

1 State-Level Policy Recommendations to Support Home Visiting Coordination Within California's Early Childhood System of Care – California Home Visiting Coordination Project – First 5 California (June 2022)
2 A Statewide Approach to Strengthen Home Visiting in California – Children Now (September 2023)
3 First 5 Association's Home Visiting Policy Framework – December 2022

the vision of scaling home visitation services in Fresno County. That leveraged funding, along with the Commission's investment has expanded the reach of the three unique home visitation programs: Nurse Family Partnership, Nurse Liaison and Community Health Teams (see **Table #1** for descriptions).

Table #1

Program Description	First 5 Fresno County Annual Contribution	Estimated Federal/State DPH Contribution (based on FY 23-24 budgets)	Total
Nurse Family Partnership *A national, evidenced-based program for first time mothers and their child. A public health nurse visits the pregnant person in their home during her pregnancy and until their child is two years old.*	$210,249	$215,122	$425,371
Nurse Liaison *A home visitation program for families who have a baby being discharged from the Neonatal Intensive Care Unit at Central California Children's Hospital or Community Regional Medical Center or who have children with challenging medical conditions. It also provides services to older children from 3 through 5 years old who have developmental or behavioral concerns.*	$394,361	$578,932	$973,293
Community Health Teams *A cost-effective model pairing public health nurses with teams of para-professionals from community based organizations to provide research-based home visitation services to underserved families without the eligibility guidelines of other federally and state funded programs. In this model DPH contracts with multiple community-based organizations creating Community Health Teams in Fresno County communities.*	$895,390	$361,212	$1,256,602
Annual Total	$1,500,000	$1,155,266	$2,655,266
Two-Year Total	$3,000,000	$2,310,532	$5,310,532

Procurement: The Commission's procurement policy allows the Commission to select a vendor via sole source if, among other things, the vendor's capabilities and experiences are so unique that no other vendor may comparably meet the Commission's needs (see page #9 of the policy). The original agreement received a sole source procurement with DPH as they are the only agency that can directly leverage state and federal funding to expand the Commission's investment in evidence and research-based public health nursing home visitation programs across the county. The renewal would do the same. Home visitation directly aligns with the Commission's strategic plan and partnering with DPH increases the Commission's investment in these services by more than one million dollars per year.

Alignment with the Strategic Plan: Direct Service Programs are listed as one of the five core investment areas in the 2020-2025 Strategic Plan. Funding allocated for this partnership will support Fresno County families primarily through the strategic plan strategies of skill-building and collaboration.

Fiscal Impact: Total funding will be allocated from the Commission's Fiscal Year 2023-2024 Proposed Revised Budget under the Thriving Families Service Programs line item in an amount not to exceed $3,000,000 for two years with the option to renew agreements for an additional year based on performance and availability of funds. See **Table #1** for Commission funding and anticipated leverage amounts per contract.

CONCLUSION:

If approved, this item will move forward for full Commission consideration at the next regular meeting. This agreement renewal recommendation aligns with the 2020-2025 Strategic Plan and will continue the Commission's investment in local agencies directly serving children and families in Fresno County, maximizing the number of families served by leveraging state and federal funding. If the First 5 Fresno County Commission determines not to move forward with the agreement renewal with the public health department, it would jeopardize approximately $2,310,532 (two years) in leveraged funding to the community.

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

FINANCE AND PROGRAM REVIEW COMMITTEE MEETING
January 17, 2024 – 11:00 a.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 7

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Agreement Renewal with Archer & Hound for the Child-Friendly Business Awards Media Campaign

RECOMMENDED ACTION:

Approve, for full Commission consideration, an agreement renewal with Archer & Hound to design, promote, and implement the 2024 Child-Friendly Business Awards Media Campaign in an amount not to exceed $60,000.

BACKGROUND:

The Child-Friendly Business Award Media Campaign provides an opportunity for the Commission to create innovative messages that promote early childhood development with the business community. It encourages businesses to support the wellbeing of their parent employees, thereby promoting optimal child development within spaces outside of the norm. On October 21, 2020, the Commission approved Archer & Hound as the chosen marketing and advertising firm to execute the 2021 Child-Friendly Business Awards Media Campaign in an amount not to exceed $60,000 with the option to renew for a total of five years to align with the 2020-2025 Strategic Plan, based on performance and availability of funds.

In 2023, Archer and Hound brought a fresh and creative approach by utilizing the solid social media presence they had built up the previous year. They reintroduced a marketing strategy that involved local influencers to promote child-friendly business practices. Fifteen influencers utilized branded items to emphasize the importance of child-friendly businesses on their social media platforms, reaching 91,849. These included family-owned companies and health and wellness professionals and entrepreneurs. Through this, they were able to engage past winners and leverage influencers to make a total of 531,505 impressions on social media. This approach resulted in 56 nominations, including nominations from over 30 industries. Overall, Archer and Hound listened, learned, and adapted to the campaign's needs while maximizing available resources. The staff is pleased with their performance and recommend funding for an additional year, with the fiscal year 2023-2024 being the fourth renewal year.

Procurement: On August 17, 2020, after releasing a public procurement, the Commission awarded Archer & Hound the contract for a public education media campaign to promote the Child-Friendly Business Awards. The partnership can be renewed for up to five years based on performance and fund availability, and the staff recommends year four.

Alignment with Strategic Plan: The Child-Friendly Business Award Media Campaign combines two strategies identified in our Strategic Plan – Communication - to highlight the importance of early childhood development and Advocacy - by engaging with decision-makers at all levels to promote family-centered policies. The Child-Friendly Business Awards Media Campaign promotes family-friendly policies and educates the public and business owners on the benefits of supporting early childhood in the workplace.

Short-term goal(s) and long-term outcomes: The short-term goal aims to promote child-friendly practices in businesses. Highlighting the benefit both the employees and the businesses by improving recruitment, retention, and loyalty. Ultimately, the long-term outcome, the campaign hopes to make child-friendly workplaces the norm in Fresno County.

Fiscal Impact: Funding for this agreement has been allocated from the 2023-2024 Agency Budget, Innovation and Learning Partnerships line item, in an amount not to exceed $60,000 for one year.

CONCLUSION:

If the recommendation is approved, staff will move this item to be considered by the full Commission at the next regular meeting. If the item is not approved to move forward, for full Commission consideration, the momentum and reputation created over the last 18 years as an innovative approach to partnering with the business community may be lost.

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

FINANCE AND PROGRAM REVIEW COMMITTEE MEETING
January 17, 2024 – 11:00 a.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 8

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Agreement with Meza Studios for the Glow! Photography & Video Storytelling Project

RECOMMENDED ACTION:

Review and approve, for full Commission consideration, an agreement with Meza Studios to design and execute the Glow! Photography & Video Storytelling project in a one-time amount not to exceed $22,885.

BACKGROUND:

Since 2019, First 5 Fresno County has been part of a network of several community partners, medical providers, and clinics, offering enhanced prenatal care through the Glow! Group Prenatal Care and Support Program (Glow!) to pregnant people as part of the EMBRACE Study. Engaging Mothers and Babies; Reimaging Antenatal Care for Everyone (EMBRACE) is a randomized prenatal care research study comparing two types of enhanced prenatal care models (group care through Glow! and traditional care through the comprehensive perinatal services program) to determine with type of care addresses maternal mental health stressors such as depression and anxiety, preterm birth and satisfaction of care. Glow! is a prenatal care program that brings together 8-12 pregnant patients to receive their prenatal medical care, education, and peer support in a group setting.

As the study comes to an end and the research team finalizes the findings, First 5 Fresno County is committed to build on the momentum that EMBRACE created, and continue partnering with the group prenatal care network working toward a sustainable and permanent integration of group prenatal care in the Central Valley. As we plan for this next phase of Glow! post-EMBRACE, we realize it is critical to strategically capture and archive stories that highlight the impact of Glow! on the lives of people giving birth in our community, create marketing assets that will not only showcase the benefits of group prenatal care but also those that can be used as a recruitment tool in the future. To help achieve this need, in November of 2023, the Commission released a public bidding process seeking a qualified photographer/videographer or advertising agency to execute a photo and video shoot capturing pregnant participants' stories and experiences as part of Glow!

Procurement: On November 14, 2023, Commission staff released a public procurement notice in accordance with the Commission's Procurement Policies and Procedures seeking a qualified photographer/videographer or advertising agency to conduct a photo and video shoot that captures the stories and experiences of pregnant participants in the Glow! Program, create social media graphic

templates and re-design the logo. Following an evaluation of the submitted examples, staff reviewed and scored each submission, provided feedback, and recommends Meza Studios due to their work with similar stakeholders (medical providers, clinics, etc.) and their experience with similar successful storytelling projects.

Alignment with Strategic Plan: The proposed agreement supports two strategies identified within our Strategic Plan – 1. Communication, which highlights the importance of early childhood development and 2. Innovation & Learning as we continue promoting our innovative and reflective approaches to confront persistent community challenges.

Short-term goal(s) and long-term outcomes: The Glow! Photography & Video Storytelling project has a short-term goal of collecting the experiences of participants, medical professionals, and facilitators to demonstrate the numerous benefits of group prenatal care. This information will be used to attract more participants and providers to the program. In the long-term, the project aims to create a positive outlook on this type of enhanced prenatal care for all pregnant people in the Central Valley.

Fiscal Impact: Funding for this agreement in an amount not to exceed $22,885 for one year will be allocated from the 2023-2024 Approved Budget under Strategic Plan Investments: Patient-Centered Prenatal Care line item and other external revenue.

CONCLUSION:

Over the last several years, the Commission has been at the forefront of promoting and raising awareness about the benefits of group prenatal care, and this project will continue to amplify that work. If approved, this item will be moved forward for full Commission consideration at the January 2024 regular meeting and subsequently, if approved by the full Commission, staff will work with Meza Studios to execute an agreement for this project. If the Commission chooses not to move forward, it risks losing the momentum created by EMBRACE and will result in a missed opportunity to capture the impact of group prenatal care on the lives of mothers and their babies.