Bridging the Gap between Fiscal and Program Operations
– It’s All About Communication

Objectives
- Understand the importance of communication
- Review relationships between fiscal and program staff
  - Discuss steps to improve budget planning
- Examine key elements of budget development

It’s All About Communication
Head Start Governance and Management

Core Responsibilities

Governing body
Legal and fiscal responsibilities

Policy Council
Sets the program direction

Management Staff
Oversees day-to-day operations

Rethinking Relationships

Fiscal Manager

Head Start Director

IN the silos...

Fiscal and program staff:
- Function separately
- Don’t consider planning or budgeting a collaborative event
- Use regulation and jargon-laden language
- Attend trainings separately
- May view each other as obstacles — “Dr. NO!”
Fiscal and program staff:
• Work together to plan and budget, including non-federal match
• Promote understanding through precise language
• Support each other’s learning
• Jointly make financial decisions
• Respect each other as resources – “Dr. KNOW!”

Consider the following

How does your program build relationships between fiscal and program staff?

What is a budget?

A budget is a:

“Numerical expression of an organization’s dreams that serves as a guide or measure of acceptable financial performance.”

– Financial Management for Non-Profit Organizations
### Budget Period

The interval of time, into which a multi-year period of assistance (project period) is divided for budgetary and funding purposes.  

Head Start Program Performance Standards  
Part 1305.2 Definitions

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### Budget Planning

- Who to include? (staff, governing body, Policy Council, stakeholders)
- Determine timelines and deadlines
- Schedule budget meeting(s)
- Define expectations and responsibilities

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### The Importance of Data in Budget Planning

- It starts with the community assessment.
- What kind of data do we need to develop the budget?
- What is the plan for addressing any gaps or budget shortages?
Data-Informed Budgeting

- Analyze historical expense data
- Project changes, increases, and additions
- Align with program goals

Staffing Plan Is Key Element to the Budget

Developing a detailed staff plan in line with program goals

Budget Form 424A

Complete this form in its entirety, giving special attention to the following:
- Section A - columns a, b, e, f, g
- Section B - columns 1 (Federal), 2 (Non-Federal), and 5 (Total)
Budget Expenses by Category

Form 424A Cost Categories
- Supplies
- Equipment
- Indirect
- Travel
- Personnel and Benefits
- Contractual
- Other

Program Operations, TTA, Non-Federal Match

Budget Development: Administrative Costs

Overall Budget (Includes Match)
- Administrative Costs 15%
- Other Costs 85%

Example
- Award: $800,000
- Match: $200,000
- Overall Budget: $1,000,000
- Admin Costs Cannot Exceed $150,000

Budget: Non-Federal Match

Total Grant Award = $1,250,000 X 20%
= $250,000 Match

OR

Federal Share = $1,000,000 x 25%
= $250,000 Match
Budget Development: Narrative

Budget narrative is the justification of “how” and “why” a line item helps to meet the program deliverables.

Grant Budget and the Operating Budget

a. Personnel
b. Fringe Benefits
c. Travel
d. Equipment
e. Supplies
f. Contractual
g. Construction
h. Other
i. Total Direct Charges (sum of 6a-6h)
j. Indirect Charges
k. TOTALS

TIME FOR REVIEW

Multiple levels of budget review:
- Fiscal staff
- Program staff
- Management staff
- Finance committee
- Governing body/
  Policy Council approval
Questions

Contact PMFO
- pmfo@ecetta.info
- https://eclkc.ohs.acf.hhs.gov/hsic/tta-system/operations
- Call us: 888.874.5469