ADMINISTRATION FOR CHILDREN & FAMILIES

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

**To: Board Chairperson**
*Mr. Lawerence Davis*
*Board Chairperson*
*Sunbeam Family Services, Inc.*
*1100 NW 14th St*
*Oklahoma City, OK 73106-4450*

**From: Responsible HHS Official**
*Dr. Blanca Enriquez*
*Director, Office of Head Start*

Ann Linehan 5-9-16

*Date*

# Overview of Findings

From 4/18/2016 to 4/22/2016, the Administration for Children and Families (ACF) conducted a Fiscal/ERSEA (Eligibility, Recruitment, Selection, Enrollment, and Attendance) review event for the Sunbeam Family Services, Inc. Early Head Start program. We wish to thank the governing body, Policy Council, staff, and parents of your program for their cooperation and assistance during the review event. This Head Start Review Event Report has been issued to Mr. Lawerence Davis, Board Chairperson, as legal notice to your agency of the results of the on-site review event.

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

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

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

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

**Distribution of the Head Start Review Report**
Copies of this report will be distributed to the following recipients:
Ms. Kimberly Chalk, Regional Program Manager
Ms. Lidia Diaz, Policy Council Chairperson
Mr. Jim Priest, CEO/Executive Director
Ms. Paula Gates, Head Start Director

**Overview Information**

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|---|---|
| Review Type: | *Fiscal/ERSEA* |
| Organization: | *Sunbeam Family Services, Inc.* |
| Program Type: | *Early Head Start* |
| Field Lead: | *Mr. William Warner* |
| Funded Enrollment HS: | *Not Applicable* |
| Funded Enrollment EHS: | *120* |

## Glossary

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

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

## Fiscal Integrity

| CM# | Compliance Measure | Compliance Level |
|---|---|---|
| **FIS 1.1** | The grantee's financial management systems provide for effective control over and accountability for grant and sub-grant funds, property, and other assets and ensure they are used solely for authorized purposes. | **Compliant** 75.302(b)(4-5), 75.303(a-e), 75.352(d)(1-3), 75.352(f-g), 75.501(b) |
| **FIS 1.2** | The grantee sought and received prior approval in writing for budget changes where prior approval is required and obtained approval for hiring designated key personnel. | **Compliant** 75.308(b), 75.308(c)(1-3) |
| **FIS 1.3** | The grantee has obtained and maintained required insurance coverage for risks and liabilities. | **Compliant** 1301.11(a-b), 75.317 |
| **FIS 2.1** | Financial reports and accounting records are timely and complete and contain accurate information pertaining to grant or sub-grant awards, authorizations, obligations, unobligated balances, assets, liabilities, outlays (total expenditures), income, and interest. Reports include:<br>• SF-425 (paper-based Federal Financial Report filed with the Regional Office)<br>• SF-425 (web-based Federal Cash Transactions Report filed with Division of Payment Management)<br>• USDA/Child and Adult Care Food Program (CACFP) reports | **Compliant** 1304.23(b)(1)(i), 1304.51(h), 75.302(b)(2-3) |
| **FIS 3.1** | The grantee implemented procurement procedures that met, at a minimum, all requirements specified in the applicable Federal, State, and local statutes, regulations, and administrative rules for Federal grants, including a written code or standards of conduct governing the performance of its employees engaged in awarding and administering contracts.<br><br>The grantee can demonstrate that contractual agreements were met. | **Compliant** 1309.54, 642(c)(1)(E)(iv)(X)(aa), 75, App II (B-D), 75.327(b), 75.327(c)(1-2), 75.327(h-i), 75.328(a)(1-7), 75.328(b), 75.329(a-b), 75.329(f)(1-4), 75.403(a-g), 75.509(a-c) |
| **FIS 4.1** | Original time records are prepared and properly signed by the individual employee and approved by a responsible supervisory official, and an appropriate methodology is used to allocate salaries among Head Start and other programs. | **Compliant** 75.430(h)(1)(i-ii), 75.430(h)(2-3), 75.430(h)(4)(i-v), 75.430(h)(5)(i-ii), 75.430(h)(6), 75.430(h)(7)(i-ii), 75.430(h)(8), 75.430(i)(1)(i-vii), 75.430(i)(1)(viii)(A-C), 75.430(i)(3-4), 75.430(i)(5)(i)(A-C), 75.430(i)(5)(ii-iii), 75.430(i)(6-8) |
| **FIS 4.2** | Head Start or Early Head Start grant funds are not used as any part of the monetary compensation (e.g. salary, bonuses, severance) of an individual employed by the grantee who is paid at an annual rate in excess of Executive Level II ($183,300, effective January 2015). | **Compliant** 653(b)(1), 653(b)(2)(A-B) |
| **FIS 4.3** | Total compensation for personal services, including employee wages and incentive-compensation payments, charged to the grant are allowable and reasonable. | **Compliant** 75.430(a)(1), 75.430(b-f) |
| **FIS 5.1** | The grantee has implemented procedures to determine allowability, allocability, and | **Compliant** |

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| | reasonableness of costs charged against its Head Start and Early Head Start (EHS) grant awards as required by the applicable cost principles. If the grantee is required to allocate costs among funding sources (including Head Start and EHS awards), the program utilizes a method for allocating costs that reflects the relative degree of benefit for each program receiving the benefit of the allocated cost. | 75.309(a), 75.404(a-e), 75.405(a)(1, 3), 75.405(b-c, e) |
| **FIS 5.2** | Indirect cost charges are supported by a negotiated Indirect Cost Rate Agreement, are claimed under a valid election to charge a de minimis rate or are included in a written, internally maintained cost allocation plan identifying a reasonable basis for allocating all shared costs of the organization.<br><br>**The grantee did not charge indirect costs.** | **N/A**<br>1301.32(a)(1-2), 1301.32(b)(1-5), 1301.32(f)(1-3), 75.405(a)(2), 75.405(d), 75.414(f) |
| **FIS 5.3** | The grantee can demonstrate all contributions of non-Federal share (NFS), including cash and third-party in-kind, are necessary and reasonable for accomplishing program objectives, allowable under applicable cost principles, and allocable if also benefiting another award. Financial records are sufficient and support the verification of adherence to applicable cost principles. | **Compliant**<br>75.306(b)(1-5), 75.306(e-g), 75.306(i)(1-3), 75.434(d) |
| **FIS 5.4** | During each funding period reviewed, the grantee charged to the award only costs resulting from obligations incurred during the funding period. | **Compliant**<br>75.309(a) |
| **FIS 6.1** | The grantee has established the allowability of costs for owned or leased facilities and has adequately protected any Federal Interest in facilities through the filing of Notices of Federal Interest, insurance, and maintenance of property records. Compensation for the use of facilities owned by the grantee, a delegate agency, or other related party was through depreciation or use allowance based on the cost of the facility (excluding costs paid by Head Start). The grantee obtained advanced Regional Office permission for any mortgage or loan agreements using collateral property acquired or subject to major renovation using Head Start funds and has ensured that mortgage/loan agreements include the required provisions.<br><br>**There were no occupancy costs charged to the Head Start award in connection with a facility owned by the grantee or a delegate agency (or occupancy costs for these facilities were below the testing threshold).** | **N/A**<br>1309.10, 1309.20, 1309.21(b), 1309.21(d)(1-2), 1309.21(d)(3)(i-vi), 1309.21(d)(4)(i-iii), 1309.22(a-c), 1309.23(a)(1-2), 1309.23(b), 1309.31(b), 1309.40, 75.436(a-b), 75.436(c)(1-4), 75.436(d)(1-5), 75.436(e), 75.465(a-b), 75.465(c)(1-3), 75.465(c)(4)(i-vii), 75.465(c)(5-6) |
| **FIS 6.2** | The grantee has safeguarded equipment purchased using Head Start funds by maintaining complete and accurate equipment records, verifying the accuracy of records by conducting a physical inventory, and following disposition requirements. The grantee obtained advance Regional Office permission for any encumbrance of equipment acquired using Head Start funds. | **Compliant**<br>75.320(a)(2), 75.320(d)(1-2), 75.320(e)(1-4) |

## ERSEA

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

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| **ERSEA 2.2** | The program enrolls children who are categorically eligible (who fall within defined income-eligibility requirements).<br>Defined Eligibility Requirements include:<br>• Family income is below the poverty line<br>• Family or child receives public assistance (SSI and TANF)<br>• Family is homeless<br>• Child is a foster child<br>Additional income-eligibility requirements:<br>• Ten percent of children enrolled in the program may be over the income threshold<br>• An additional 35 percent of children who are not categorically eligible may be from families whose income is between 100 and 130 percent of poverty | **Compliant**<br>645(a)(1)(B)(iii)(I-II), 645(a)(1)(B)(iii)(II)(aa-bb) |
| **ERSEA 3.1** | Actual program enrollment is composed at least 10 percent of children with disabilities. | **Compliant**<br>1308.5(c)(1-4), 640(d)(1) |
| **ERSEA 3.2** | The program enrolled 100% of its funded enrollment and ensures an active and ranked waiting list is maintained at all times. | **Compliant**<br>642(g) |

— END OF REPORT —