



BUDGET JUSTIFICATION

Fiscal Management

The MCIU utilizes the SunGard eFinance financial application which is used by over 520 school districts, intermediate units, and career and technology centers across the United States of America. The eFinance financial application is a comprehensive packing for the tracking, storage, and reporting of fund accounting data, accounts receivable, accounts payable, purchase orders, and budget preparation. Additional integrated modules include payroll, personnel, consumable inventory, and asset inventory. All application modules provide query capability, as well as user-defined and standard reporting and a report writer. The MCIU has utilized this comprehensive accounting package since 2003. All Head Start payments and budget monitoring will be handled through this single financial application.

The MCIU adheres to the Manual of Accounting and Financial Reporting for PA Public Schools. The accounting system is organized and operated on a fund basis. Each fund is accounted for so that the identity of its resources, obligations, revenues, expenditures, and fund equities are continually maintained. The Head Start program has been assigned a unique Cost Center allowing for the identification and collection of only allowable, direct costs and revenues of Head Start activities.

The chart of accounts for Head Start directly aligns with the line items approved in the Head Start budget. The account code structure is designed to track expenditures by Object Class categories for Direct Labor, Fringe Benefits, Travel, Supplies, Contractual, and Other to the level of detail that is necessary for prudent fiscal and program management, as well as for required periodic reporting.

Internal Control Compliance

The MCIU's current operating budget for the 2018-2019 fiscal year is approximately \$130 million dollars. The MCIU's Office of Business Services manages this budget by utilizing 110 cost centers, representing significant individual programs. The MCIU has approximately 500 employees with active contracts and partnerships with more than 100 agencies. More than 68% of the MCIU budget is received from state or federal sources, which is an indication of the organization's ability to effectively and efficiently administer a project of the size, complexity, and scope as the Head Start program.

The MCIU's Audited Financial and Compliance Reports for the years ending June 30, 2017 and June 30, 2018, confirm our ability to be able to manage programs like Head Start. The Schedule of Expenditures of Federal and State Awards included in the Report for the year ending June 30, 2017, documents that MCIU managed 29 different federal grants with expenditures totaling \$36,535,451. The Schedule of Expenditures of Federal Awards included in the Report for the year ending June 30, 2018 documents that MCIU managed 31 different federal grants with expenditures totaling \$39,751,048. Single Audits for both fiscal years had no federal award findings or questioned costs. MCIU has had no federal award findings or questioned costs for more than fifteen years.

The MCIU's Office of Business Services consists of a number of professional and clerical staff with clearly delineated duties. MCIU's maintains a system of checks and balances in which no financial transaction is handled by only one person from beginning to end. This system of internal controls and the segregation of duties is reviewed annually by the MCIU's local auditing firm. The Office of Business Services has detailed written procedures that document this system of control, as well as, systems to ensure compliance with federal fiscal management procedures. In addition, the MCIU has procedures in place and the infrastructure to implement changes in laws, regulations, guidance, and funding agreements affecting Federal awards.

The processing of inputting data into the MCIU's financial software package is strictly controlled by security that is built into the software. Only certain individuals have the ability to change or enter information, and there is a documented approval sequence for services or tangible items to be ordered and paid for.

Employees are supervised commensurate with their level of competence and skill. Only personnel with knowledge and experience are tasked with and authorized to discharge responsibilities. Equipment, inventories, and other tangible assets are secured physically. Information is kept secure in password protected data system to ensure the protection of personally identifiable information.

Inventory Management

The MCIU utilizes the Child Plus software program to manage the Head Start property inventory. The Head Start Administrative Support staff member inputs the individual items into the inventory system. An annual classroom inventory is completed at the end of each school year and the data is reconciled to the Child Plus inventory log.

The MCIU also maintains an asset tracking system in the eFinance accounting software program. This system tracks all assets that are eligible for capitalization via the MCIU's Board policy. Assets are removed from the asset tracking system when they are declared obsolete by the MCIU Board of Directors.

Budget Narrative - Personnel

The personnel category reflects the positions for 84.45 Head Start employees. The grand total for all proposed personnel charged to the federal share base grant is \$1,803,365, which includes \$26,000 for retention bonuses for project paid staff. Please refer to budget line item detail for proposed individual salaries.

- **Education Services Personnel**

Education Supervisors (3.00 total) – This line item includes the salaries of three (3) Education Supervisors.

Pre-School Teachers (28 total) – Twenty-six (26) Pre-School Teachers are included in this line item serving 26 classrooms. There are also 2.00 Floating Teachers and an additional \$10,000 budgeted for Substitute Teachers.

Assistant Teachers (26 total) – Twenty-six (26) Assistant Teachers in this line item serving 26 classrooms. In addition, there is \$21,000 budgeted for Substitute Assistant Teachers.

Program Aides (11 total) – Eleven (11) Program Aides are budgeted in this line item to provide support to the various centers

Health/Nutrition Experts (0.80 total) – The salaries for a 0.40 FTE Health/Nutrition Coordinator, 0.20 FTE CACFP Evaluator and 0.20 FTE Health/Nutrition Assistant, with the remaining funding for the Head Start Health/Nutrition staff coming from the Child and Adult Care Food Program revenue source.

Content Area Experts (2.35 total) – The salaries for a 1.00 Disabilities Supervisor, a 0.30 Mental Health Advisor, 1.00 Instructional Coach and a 0.05 School Nurse are included to provide support to the program.

Other Child Services Personnel (1.90 total) – This line item reflects the salary of the Administrative Assistant for Education Services and 0.90 Day-Time Custodian.

- **Family Services Personnel**

Family Engagement Supervisor (1.00 total) – This line item includes the salary for 1.00 FTE of a Family Engagement Supervisor.

Family and Community Partnerships Personnel (6.00 total) – This line item includes the salaries for six (6) Family Engagement Workers.

- **Program Design and Management Personnel**

Managers (1.40) - The salary for the Program Administrator for Head Start is included in this category, 0.20 Director of Early Learning

Budget Narrative - Fringe Benefits

This category totals \$751,362 and includes the employer's share of social security, retirement, workers compensation and unemployment compensation. Single benefits for life insurance, medical insurance, dental insurance, and long-term disability expenditures are included. Please refer to the budget line item detail for percentages and amounts. The Head Start staff will contribute 15% of the premium towards their medical and dental insurances.

Budget Narrative – Travel

No base allocation funds have been budgeted in this category. The travel costs incurred when staff and parents attend local, state, regional, and national trainings are included in the Training and Technical Assistance Budget.

Budget Narrative – Equipment

No equipment purchases are anticipated.

Budget Narrative - Supplies

The expenses for this category total \$82,240 and include office supplies, postage, classroom supplies, food serving supplies, medical/dental supplies, technology for the classrooms, and general building supplies which are anticipated for the operation of the Head Start program.

Office supplies estimated in the amount of \$4,200 per year are comprised of items such as copy paper, envelopes, pens, etc. The MCIU has also budgeted \$1,200 for a contract with Aaron Solutions to provide toner for Head Start printers. In addition, \$2,700 is budgeted for Learning Genie, Parent Communication Program.

Classroom supplies are allotted at \$20,280 yearly (\$780 x 26 classrooms). Classroom supplies are made up of consumable art materials, manipulatives and supplemental materials to support Creative Curriculum.

Health & Nutrition supplies are budgeted at \$9,500, this includes food serving supplies and medical/dental supplies.

A total of \$16,000 per year is budgeted for general building supplies for minor repairs and maintenance.

In order to provide technology opportunities in the classroom, MCIU has budgeted \$14,040.

Postage expenses are estimated at \$2,220 for the year (\$185 per month) for parent and student mailings.

Teaching Strategies Gold are estimated at \$4,900 for the year. Child Plus Software are estimated at \$7,200 for the year.

Budget Narrative – Contractual

The MCIU is not proposing to provide daily student transportation as part of this grant.

Budget Narrative – Other

This category totals \$619,399

This category includes the cost for local staff travel is estimated at \$11,646 (estimated at .545/mile x 21,369 average miles). Staff travel is made up of mileage between buildings for meetings, home visits, observations and monitoring.

Bilingual and translation services will be provided yearly for a total of \$13,465 per year. In addition, \$2,475 is budgeted for interpreting services for Policy Council meetings (\$75/hr x 3 hrs/month x 11 months).

Printing and duplicating fees are estimated at \$3,600 per year (\$300 x 12 months) for newsletters, staff and parent handbooks and Head Start forms, etc. In addition, the program leases a copier/printer for the Early Learning Center at a cost of \$3,500 (\$291.67 x 12 months).

Legal and audit fees are \$500 and \$2,000 per year. The program also contracted with Krazy Kids Sport to provide physical fitness activities in the amount of \$18,000 to the program, along with Greener Partners to provide healthier options through food, farms and education in the amount of \$12,000.

Costs associated with the operation of the two (2) Head Start vehicles are included in this category. These costs include \$1,000 for vehicle gasoline, \$2,200 for vehicle inspections (2 x \$1,100), and \$3,700 for auto liability insurance.

Contracted classroom substitutes (teacher and teaching assistant) are included for \$37,000.

The budget includes \$800 for an organizational membership in the National Head Start Association, as well as, \$1,800 for an organization membership in the Pennsylvania Head Start Association.

In addition, this category includes the costs associated with the operation of the centers, including space rent, office space, telephone, internet service, trash disposal services, natural gas, electricity, water/sewer, pest control, heating oil, property/liability insurance, custodial services, and general maintenance and repairs. These costs total \$498,359.

Please note, the estimated cost for rent at the Early Learning Academy is budgeted at \$150,000. This dollar amount is based on the square footage of the Head Start classrooms in this facility and is reflective of the independent appraisal completed for this purpose.

Budget Narrative - Indirect Costs

MCIU has an approved restricted indirect cost rate certified through the Commonwealth of Pennsylvania Department of Education. The certified rate for the 2017/2018 fiscal year is 8.00%. The Labor, Education and Community Comptroller's Office (LECS) has been given the authority by the Federal government to calculate, approve, and certify indirect cost rates for the Commonwealth of Pennsylvania. Please see copy of current restricted indirect cost rate certification enclosed.

BUDGET JUSTIFICATION – Non-Federal

The 20% matching component is comprised mainly of volunteer services and in-kind contributions offered by parents, Early Intervention Therapists and community organizations. Only those expenses that are allocable, allowable and reasonable under federal regulations (45 CFR Section 75.303 and Section 1303.4) are counted toward satisfying the cost sharing requirement. The total expected non-federal share is \$932,854.

Fringe Benefits: This category totals \$346,763. This represents an estimated 50% State reimbursement for Retirement on the Head Start Federal employees.

Other: Meeting Space donated by the MCIU is estimated at \$350 (\$50/room @ 7 meetings). Head Start is not charged any room usage fees for meetings held throughout the year. This value represents the number of meetings held in conference areas multiplied by the average usage rate of \$50 per day.

Mileage reimbursement is offered to parents who participate in the Policy Council meetings, however some parents will decline the reimbursement and request the cost be included as an in-kind contribution. This is estimated to be \$150 in the budget.

The MCIU has obtained detailed independent appraisals for Head Start classroom facilities. The dollar value calculated by the independent appraisal company that exceeds the rent paid for the space is included as an in-kind contribution. This results in \$100,477 in the budget.

This category also includes estimated in-kind hours for classroom RSVP (Retired Senior Volunteer Program of Montgomery County) volunteers and Therapists that volunteer their time and talents in the Head Start classrooms. Hours for volunteers and Early Intervention therapists will be recorded on classroom log sheets and tabulated monthly. The hourly rate calculated for RSVP Volunteers hours is based on an average of the Federal Head Start Assistant Teacher salaries and benefits (currently estimated at \$16.48/hour). The hourly rate calculated for therapists is based on the actual cost of the MCIU Speech, Physical and Occupational therapist's salaries and benefits. For contracted Speech, Physical, and Occupational therapists the rate is \$70/hour, for Behavior Therapists the rate is \$62/hour, and for Personal Care Assistant Services the rate is \$22/hour (all of these rates are per the written contract agreement

for these services). Additional hours are included for volunteers on the Head Start Policy Council at the rate of \$24.14, which is based on the Independent Sector value of volunteer time report as of April 2017. A total of \$483,314 of in-kind contributions is expected to be obtained through these volunteer activities.

BUDGET JUSTIFICATION – Training & Technical Assistance

Travel: This category includes travel costs incurred when staff members and parents attend local, state, regional, and national trainings and conferences. These conferences include the Early Childhood Summit, the PA Head Start Association conference, the National Head Start Association conference, and other professional development offered by the Office of Head Start. Costs are estimated as follows: \$3,000 for registrations, \$4,000 for hotels & meals, and \$1,500 for mileage. An additional \$1,000 is budgeted for parent conference attendance.

Other: This category includes the costs for the parent budget for parent orientation/meet the teacher activities in the amount of \$1,000, parent activities in the amount of \$1,680, parent mileage reimbursement in the amount of \$700, and Policy Council meeting expenses in the amount of \$3,150. The total parent budget of \$6,530 provides an estimated \$14.51/child x 450 children.

The majority of this category is comprised of expenses incurred by Head Start staff for career development. Monthly trainings are held with the entire Head Start staff including a pre-service meeting and year end wrap up meeting budgeted for \$12,170. Tuition reimbursement, ECE certification and CDA certification are all part of the Training and Technical Assistance budget and are estimated to be \$15,000. Training supplies are budgeted for \$1,954. Training books and publications are also budgeted for \$1,500.

Head Start 2019/2020 Budget Year 4 Grant 03CH9968

Description	Days Per Year	Hours Per Day	Hourly Rate	% of Time Charged in Grant	Annual Salary	Federal Share Base Grant Expense	Federal Share T&TA	Non-Federal Share Match	Total
6a. Personnel									
Education Services Personnel									
Education Supervisor	260	7		100%	51,920	52,958			52,958
Education Supervisor	260	7		100%	50,902	51,920			51,920
Education Supervisor	260	7		100%	52,958	52,958			52,958
Pre School Teacher 1	188	7.5	18.24	100%	25,718	25,718			25,718
Pre School Teacher 2	188	7.5	18.52	100%	26,113	26,113			26,113
Pre School Teacher 3	188	7.5	18.52	100%	26,113	26,113			26,113
Pre School Teacher 4	188	7.5	18.80	100%	26,508	26,508			26,508
Pre School Teacher 5	188	7.5	18.80	100%	26,508	26,508			26,508
Pre School Teacher 6	188	7.5	18.80	100%	26,508	26,508			26,508
Pre School Teacher 7	188	7.5	18.80	100%	26,508	26,508			26,508
Pre School Teacher 8	188	7.5	20.87	100%	29,427	29,427			29,427
Pre School Teacher 9	188	7.5	20.87	100%	29,427	29,427			29,427
Pre School Teacher 10	188	7.5	20.87	100%	29,427	29,427			29,427
Pre School Teacher 11	188	7.5	20.87	100%	29,427	29,427			29,427
Pre School Teacher 12	188	7.5	21.29	100%	30,019	30,019			30,019
Pre School Teacher 13	188	7.5	21.29	100%	30,019	30,019			30,019
Pre School Teacher 14	188	7.5	21.29	100%	30,019	30,019			30,019
Pre School Teacher 15	188	7.5	21.29	100%	30,019	30,019			30,019
Pre School Teacher 16	188	7.5	21.29	100%	30,019	30,019			30,019
Pre School Teacher 17	188	7.5	21.29	100%	30,019	30,019			30,019
Pre School Teacher 18	188	7.5	21.72	100%	30,625	30,625			30,625
Pre School Teacher 19	188	7.5	21.72	100%	30,625	30,625			30,625
Pre School Teacher 20	188	7.5	21.72	100%	30,625	30,625			30,625
Pre School Teacher 21	188	7.5	21.72	100%	30,625	30,625			30,625
Pre School Teacher 22	188	7.5	22.15	100%	31,232	31,232			31,232
Pre School Teacher 23	188	7.5	22.15	100%	31,232	31,232			31,232
Pre School Teacher 24	188	7.5	22.15	100%	31,232	31,232			31,232
Pre School Teacher 25	188	7.5	22.15	100%	31,232	31,232			31,232

Pre School Teacher 26	188	7.5	22.15	100%	31,232	31,232			31,232
Pre School Teacher 27 Floating	188	7.5	22.15	100%	31,232	26,113			26,113
Pre School Teacher 28 Floating	188	7.5	18.52	100%	26,113	26,113			26,113
Substitute Teachers				100%	10,000	10,000			10,000
Assistant Teacher 1	188	7.5	11.81	100%	16,652	16,652			16,652
Assistant Teacher 2	188	7.5	11.81	100%	16,652	16,652			16,652
Assistant Teacher 3	188	7.5	11.81	100%	16,652	16,652			16,652
Assistant Teacher 4	188	7.5	11.81	100%	16,652	16,652			16,652
Assistant Teacher 5	188	7.5	11.81	100%	16,652	16,652			16,652
Assistant Teacher 6	188	7.5	11.81	100%	16,652	16,652			16,652
Assistant Teacher 7	188	7.5	11.81	100%	16,652	16,652			16,652
Assistant Teacher 8	188	7.5	11.93	100%	16,821	16,821			16,821
Assistant Teacher 9	188	7.5	11.93	100%	16,821	16,821			16,821
Assistant Teacher 10	188	7.5	11.93	100%	16,821	16,821			16,821
Assistant Teacher 11	188	7.5	11.93	100%	16,821	16,821			16,821
Assistant Teacher 12	188	7.5	11.93	100%	16,821	16,821			16,821
Assistant Teacher 13	188	7.5	11.93	100%	16,821	16,821			16,821
Assistant Teacher 14	188	7.5	11.93	100%	16,821	16,821			16,821
Assistant Teacher 15	188	7.5	11.93	100%	16,821	16,821			16,821
Assistant Teacher 16	188	7.5	12.06	100%	17,005	17,005			17,005
Assistant Teacher 17	188	7.5	12.06	100%	17,005	17,005			17,005
Assistant Teacher 18	188	7.5	12.06	100%	17,005	17,005			17,005
Assistant Teacher 19	188	7.5	12.78	100%	18,020	18,020			18,020
Assistant Teacher 20	188	7.5	13.04	100%	18,386	18,386			18,386
Assistant Teacher 21	188	7.5	13.04	100%	18,386	18,386			18,386
Assistant Teacher 22	188	7.5	13.04	100%	18,386	18,386			18,386
Assistant Teacher 23	188	7.5	13.04	100%	18,386	18,386			18,386
Assistant Teacher 24	188	7.5	13.04	100%	18,386	18,386			18,386
Assistant Teacher 25	188	7.5	13.04	100%	18,386	18,386			18,386
Assistant Teacher 26	188	7.5	13.04	100%	18,386	18,386			18,386
Substitute Assistant Teachers				100%	21,000	21,000			21,000
Program Aide 1 - Early Learning Academy	168	5	9.02	100%	7,577	7,577			7,577
Program Aide 2 - Early Learning Academy	168	5	9.02	100%	7,577	7,577			7,577
Program Aide 3 - Early Learning Academy	168	5	9.02	100%	7,577	7,577			7,577
Program Aide - Early Learning Academy	168	5	9.02	100%	7,577	7,577			7,577

Total Paid Personnel						2,074,560	-	-	2,074,560
6b. Fringe Benefits									
Social Security - 7.65% of salary						158,704			158,704
Worker's Compensation - 1% of salary						20,746			20,746
Unemployment Compensation - \$500/person x 83.25 FTE						41,625			41,625
Retirement - 33.43% of salary (less state reimbursement)						346,763			346,763
State Reimbursement on Federal Share								346,763	346,763
Medical/Dental/Life Insurance Combination Plan									-
\$4,950/person x 29.50 FTE						146,025			146,025
\$25,000/person x 1.55 FTE						37,500			37,500
Total Fringe Benefits						751,362	-	346,763	1,098,125
6c. Travel									
Parent Conference Attendance							1,000		1,000
Professional Development Hotel/Meals							4,000		4,000
Professional Development Mileage							1,500		1,500
Professional Development Registrations							3,000		3,000
Total Travel (not local)						-	9,500	-	9,500
6e. Supplies									
Aaron Solutions Contract						1,200			1,200
Books & Publications							1,500		1,500
Child Plus Software						7,200			7,200
Classroom Supplies (\$780 x 26 classrooms)						20,280			20,280
General Building and Warehouse Supplies						16,000			16,000
Health & Nutrition Supplies						9,500			9,500
Learning Genie - Parent Communication Program						2,700		900	3,600
Office Supplies						4,200			4,200
Postage \$185/month						2,220			2,220
Professional Development/Training Supplies							1,954		1,954
Teaching Strategies Gold						4,900			4,900
Technology in the Classroom (\$540 x 26 classrooms)						14,040			14,040
Total Supplies						82,240	3,454	900	86,594

6h. Other									
Audit Fee						500			500
Auto Liability Insurance						3,700			3,700
Bilingual Consulting - Language Line Service						1,500			1,500
Bilingual Consulting - Parent/Teacher Conferences - \$455 x 3						1,365			1,365
Briar Bush Nature Center - Science Supplement						1,700			1,700
Cleaning Services						90,000			90,000
Contracted Classroom Substitutes						33,000			33,000
Contracted Professional Development							12,170		12,170
Copier Maintenance Agreement						3,500			3,500
Disposal Services (Estimated)						5,500			5,500
Dues & Fees - Facilities							1,000		1,000
Duplicating & Printing/Laminating \$300/mo.						3,600			3,600
Electricity (Estimated)						2,000			2,000
General Miscellaneous Maintenance (all Centers)						19,990			19,990
Greener Partners (Farm to School Program)						12,000			12,000
Interpreting (\$75/hr x 3 hrs/month x 11 months) Policy Council						2,475			2,475
Krazy Kidz Sport (Contracted Fitness Activities)						18,000		900	18,900
Lawn Service						2,000			2,000
Legal Fees - \$2,000 per year						2,000			2,000
Meeting Room Space 7 meetings @ \$50/room								350	350
Membership - National Head Start Association						800			800
Membership - Pennsylvania Head Start Association						1,800			1,800
Moving, Appraisal and Storage Expenses						3,800			3,800
Parent Budget - Policy Council Meetings Catering, etc.							2,500		2,500
Parent Budget - Mileage Reimbursement							700	150	850
Phone/Internet Service/VOIP (All Locations) \$2000						38,000			38,000
Property and Liability Insurance						8,200			8,200
Rent Learning Center - Abington Center /Abington SD						13,100		17,097	30,197
Rent Learning Center - Ambler Center/Wissahickon SD						-		26,700	26,700
Rent Learning Center - Early Learning Academy						150,000			150,000
Rent Learning Center - Edgewood Elementary (Pottstown - Estimated)						44,119		46,000	90,119
Rent Learning Center - Fitzwater Upper Dublin (No Appraisal Available)						-			-
Rent Learning Center - Lansdale YMCA						50,000			50,000
Rent Learning Center - Central Norristown Location						20,000			20,000

Rent Learning Center - Schwenksville Elementary						-		10,680	10,680
Rent Learning Center - West Broad Elementary						20,600			20,600
Snow Removal – (For Centers, Estimated)						10,000			10,000
Staff Inservice meetings/Trainings (8 months) with Pre-Service and Year End Wrap Up							2,330		
Translation Services - \$400/mo x 9 months + \$7,000 for One-Time Cost at Beginning of Year						10,600			10,600
Travel (per IRS Mileage Rate)- Teachers						11,646			11,646
Tuition (Professional Development)						5,000	15,000		20,000
Vehicle Gasoline						1,000			1,000
Vehicle Maintenance/Inspections (2 x						2,200			2,200
Volunteers - Community Support (volunteer time, materials, book donation)								29,800	29,800
Volunteers - Kiwanis, Cardinals Nest, Temple, Wissahickon								41,000	41,000
Volunteers - Foster Grandparent									
Volunteers - Parent Support								125,500	125,500
Volunteers - RSVP of Montgomery County								1,200	1,200
Volunteers - Therapists- Speech, OT, PT, Behavior								265,000	265,000
Volunteers - New Partnerships								20,814	20,814
Allied Barton - Security Services						10,050			10,050
Total Other						603,745	33,700	585,191	1,222,636
Total Direct Charges						3,511,907	46,654	932,854	4,491,416
6j. Indirect Charges						265,090			265,090
6k. Grand Total						3,776,997	46,654	932,854	4,756,506