



To: First Steps State Board of Trustees
From: Judith Aughtry, Chair, Finance and Administration Committee
Date: January 27, 2016

RE: Report from Finance and Administration Committee Meeting – January 25, 2016

The Program and Grants Committee met by teleconference on Wednesday, January 20, 2016 and brings forth the following:

1. **ACTION ITEM: CHARLESTON WAIVER REQUEST** - The Finance and Administration Committee reviewed a waiver request from Charleston County First Steps, which has requested to raise its threshold for payment authorizations requiring both the Executive Director and a board member's signature from \$500 to \$2,000. The partnership is a recent Early Head Start Grantee and has a large number of recent invoices over \$500, requiring board members to travel to the local office to countersign. The committee recommends approval of this waiver request for the remainder of FY16 and has directed staff to monitor and evaluate this process.

MOTION: Approve the waiver request of Charleston County First Steps for the remainder of FY16, requiring dual signature of invoices exceeding \$2,000. Staff will monitor and evaluate this process.

2. **INFORMATION ITEM: FINANCIAL REPORT** – A copy of the monthly financial report is attached.
3. **INFORMATION ITEM: STATE BUDGET UPDATE** - First Steps had its Ways and Means budget hearing on Tuesday, January 12. A supplemental request reflecting the findings of the BabyNet "Think Tank" was presented. The agency's full, amended request can be viewed at:

<http://1.usa.gov/1PzmwpV>



To: Finance and Administration Committee
From: Debbie Robertson, Chief Partnership Officer, SC First Steps
Date: January 13, 2016

RE: Waiver for second signature requirement for invoices in excess of \$500

The Chair of the Charleston First Steps Board has requested that we provide a waiver from the current requirement that all invoices in excess of \$500 require both a local staff person and board member's signature. The Chair suggests that a second signature be required only when invoices exceed \$2,000.

Currently the First Steps Operations Manual (Chapter 10 C.) reads:

Prepare a payment authorization form if you approve of the invoice (effective December 1, 2002, all invoices in excess of \$500 must have two county designated signatures. These two signatures must be a county office staff person and a board member. The board member should be the Chair, the Vice-Chair, the chair of your finance committee (or your Treasurer, whichever is applicable to your county) or another appropriately designated board member.)

The state office staff recommends that a waiver process be put in place for those partnerships experiencing large volumes of invoices in excess of \$500 and delays in payment due to the need for board members signatures. The waiver process would include the following:

1. The Board Chair submit a letter of request to the First Steps State Director
2. The waiver would allow an increase for the second signature requirement from the current \$500 to invoices exceeding \$2,000.
3. The waiver would need to be renewed at the beginning of each fiscal year.
4. In order to evaluate the effectiveness of this change, the Regional Finance Manager (RFM) will provide a quarterly report listing the invoices processed that exceeded \$500, to the assigned state office Technical Assistant and state Finance staff for review.
5. The First Steps State Office would evaluate the request and make a recommendation to the Finance Committee of the State Board of Trustees for review and approval.
6. The Local Partnership Board Chair would be notified of the decision.

Attachments: Letter from Charleston Board Chair



December 15, 2015

CORRECTED COPY

To whom it may concern:

My name is Lorraine O. Powers and I am Chairman of the Charleston County First Steps Partnership Board. Presently, I have second signature authority for invoices in excess of \$500. I'm requesting a waiver to increase the signature authority for invoices from \$500 to \$2,000. Most invoices received for payment are under \$2,000.

It is an unrealistic expectation to have board members travel to the First Steps office on a daily basis to sign invoices of \$500. This would delay payment of invoices that exceed that amount. Most board members have jobs, or are involved in a variety of other activities. Making a trip to the partnership office on a daily basis or every other day is basically impossible. There are other board members with signature authority, but the fact still remains. The size of our budget requires the partnership to process invoices on a daily basis.

The board has approved our executive director to have no limitations on budget re-allocations and no limitations on contract authorizations for many, many years, but she can't approval an invoice payment authorization over \$500 without a second signature.

Please take this request under serious advisement and grant second signature approval for invoices in excess of \$2,000. Thank you.

A handwritten signature in blue ink that reads "Lorraine O. Powers".

Lorraine O. Powers
Charleston County First Steps
Board Chairman

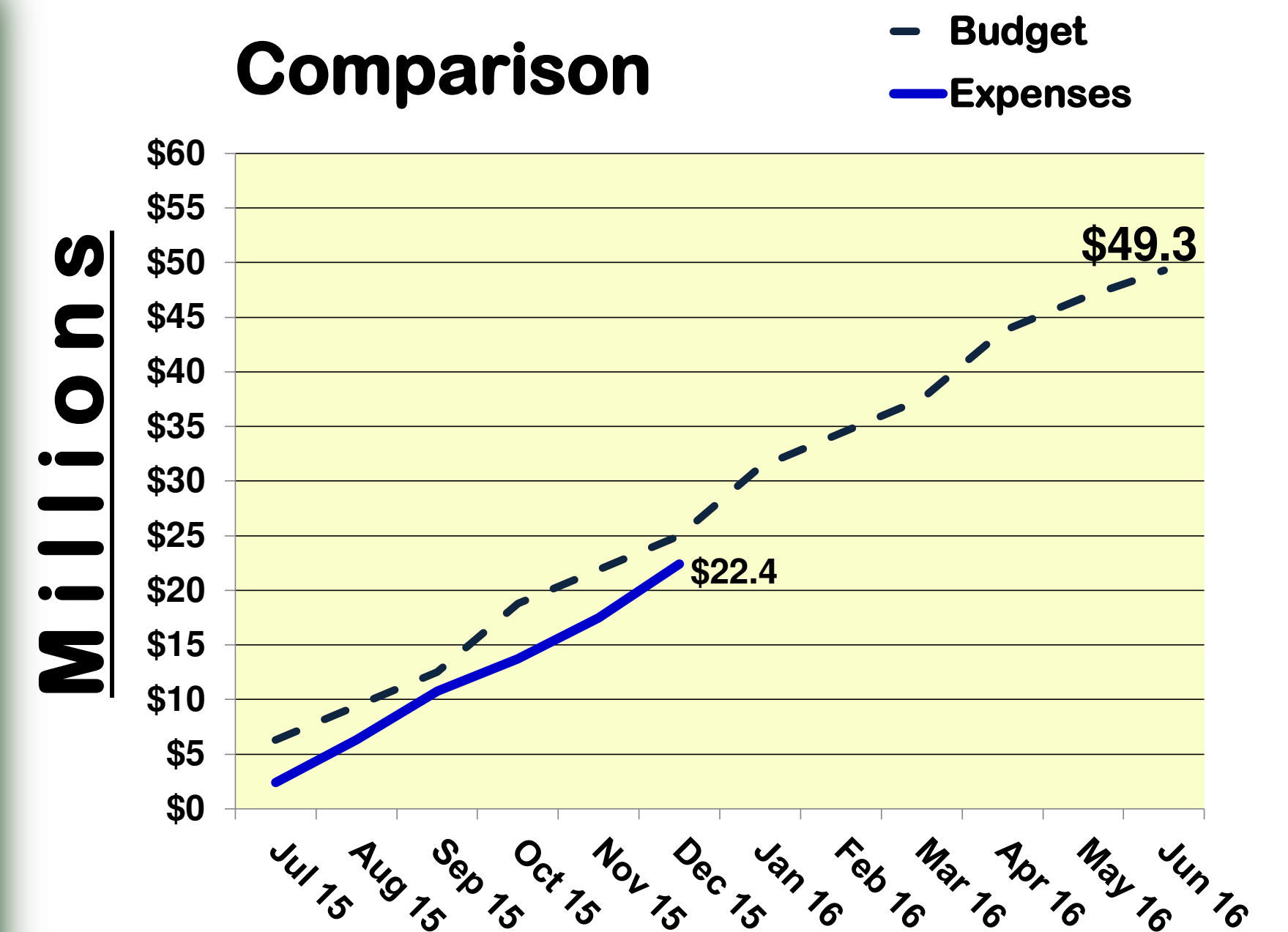
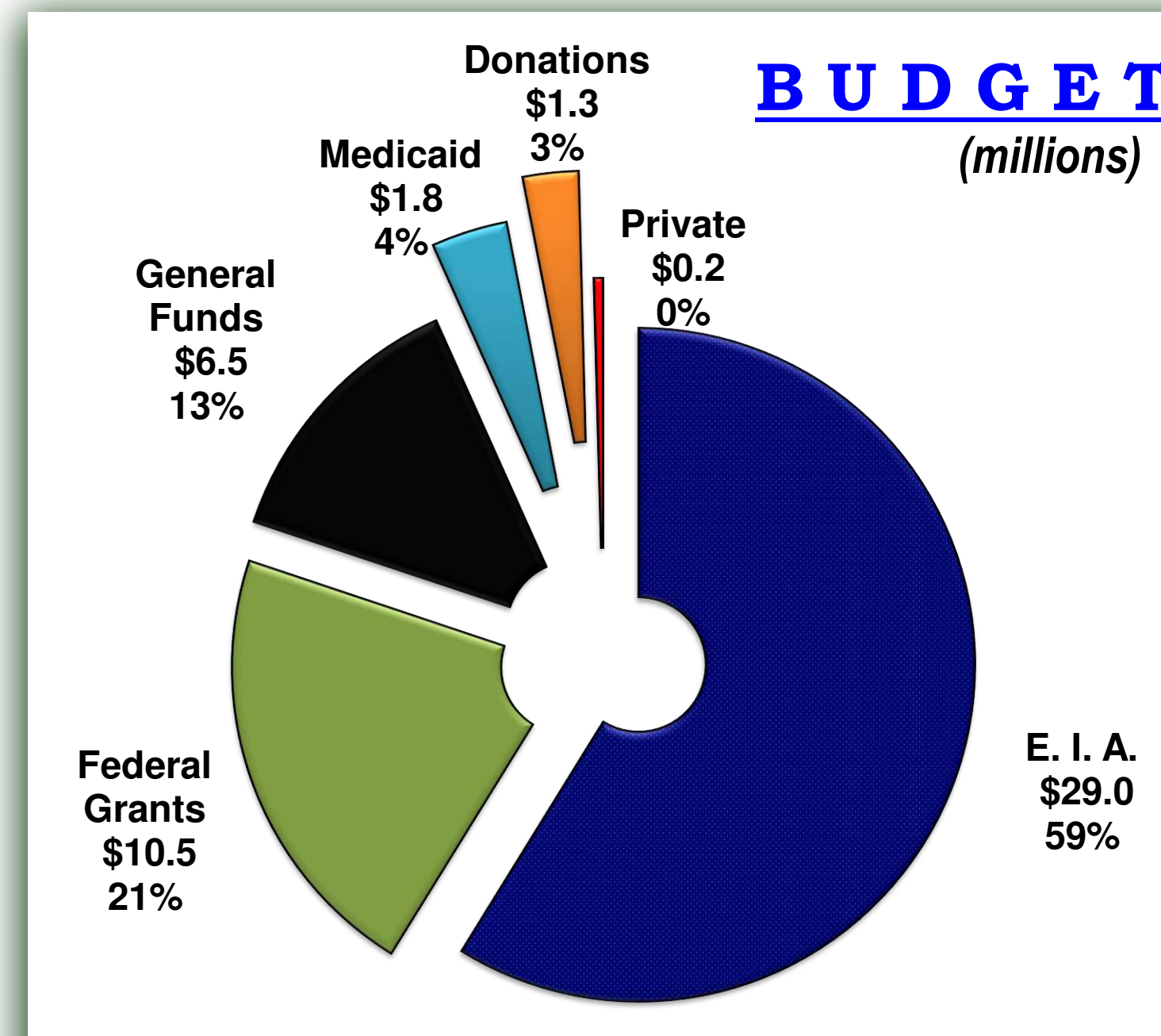


FY 2016 Financial Status Report

As of:
December 31, 2015

SPENDING RATES	
Projected =	44%
Actual =	45%
Spending is OVER Budget	

Budgets vs. Expenditures



PROGRAMS / OPERATIONS	APPROVED BUDGET Jun 20, 2015	DISTRIBUTION OF BUDGET						CURRENT BUDGET Total	BUDGET CHANGES	EXPENDITURES		BALANCE	
		E.I.A.	Gen. Fund	Private	Medicaid	Federal	Donations			Actual	%	Amount	%
LOCAL PARTNERSHIPS (LP)	\$ 12,693,265	\$ 12,693,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,693,265	\$ -	\$ 9,812,498	77%	\$ 2,880,767	23%
LP SUPPORT & TECH. ASST.	\$ 773,164	\$ 1,295,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,295,000	\$ 521,836	\$ 595,830	46%	\$ 699,170	54%
PRIVATE 4-K	\$ 16,277,864	\$ 9,662,864	\$ 6,510,000	\$ -	\$ -	\$ 212,000	\$ -	\$ 16,384,864	\$ 107,000	\$ 6,423,550	39%	\$ 9,961,314	61%
EARLY HEAD START	\$ 4,410,825	\$ -	\$ -		\$ -	\$ 4,160,565	\$ -	\$ 4,160,565	\$ (250,260)	\$ 39,213	1%	\$ 4,121,352	99%
BABYNET	\$ 11,896,150	\$ 4,004,573	\$ -	\$ -	\$ 1,800,000	\$ 6,091,577	\$ -	\$ 11,896,150	\$ -	\$ 4,992,242	42%	\$ 6,903,908	58%
COUNTDOWN TO KINDERGARTEN	\$ 65,000	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 5,000	\$ -	0%	\$ 70,000	100%
POLICY & ACCOUNTABILITY	\$ 3,301,962	\$ 1,304,906	\$ 8,480	\$ 150,000	\$ -	\$ -	\$ 1,350,000	\$ 2,813,386	\$ (488,576)	\$ 494,445	18%	\$ 2,318,941	82%
GRAND TOTAL:	\$49,418,230	\$ 29,030,608	\$ 6,518,480	\$ 150,000	\$ 1,800,000	\$ 10,464,142	\$ 1,350,000	\$ 49,313,230	\$ (105,000)	\$ 22,357,778	45%	\$26,955,452	55%

NOTES:

1) Local Partnerships:

- Funding sources: Education Improvement Act (EIA) funds
- Formula allocation cash advances are disbursed on a quarterly basis
- Expenditures reflect disbursements from SC First Steps (state-level)
- Does not include local-level actual expenses to staff and vendors

2) Federal grants are multi-year and cross State Fiscal Years

3) LP Support & Technical Assistance

- Regional finance managers (RFM).....accounting firms
- Accounting software network support & data housing
- Programmatic data housing & network support
- Workers' compensation insurance coverage
- External programmatic evaluation
- Financial audits --- annually

3) LP Support & Technical Assistance (cont.)

- Does not include local-level actual expenses to staff and vendors
- OFS program staff (salaries & fringe benefits)
- Operations cost
- Travel cost to LPs
- Lease (cost allocation of office rent)

4) \$105K Transfer to the Education Oversight Committee for Private 4K Evaluation Costs



FY 16 DONATIONS

DATE REC'D	AMOUNT	DONOR	USE	PURPOSE / COMMENTS
Jul 29, 2015	\$ 15,000.00	Physicians' Charity	Restricted	Reading materials in pediatricians waiting rooms
Aug 19, 2015	\$ 180.00	TRUiST Connect	Unrestricted	General use
Sep 23, 2015	\$ 1,230.00	Head Start Collaboration	Restricted	Parenting Keynote Speaker
Oct 28, 2015	\$ 1,000.00	Kaplan Early Learning Company	Restricted	2015 Chairmen's Summit on Early Childhood
Nov 9, 2015	\$ 210.00	TRUiST Connect	Unrestricted	General use
Nov 30, 2015	\$ 1,000.00	Furman University	Restricted	Parents As Teachers (PAT)

TOTAL \$ 18,620.00

NOTES:

- 1) *TRUiST Connect is a Washington, DC based firm focused on corporate social responsibility and employee giving campaign processing. In March 2014 TRUiST Connect was acquired by a Reston, VA based company named FrontStream Payments, Inc.*