



To: SC First Steps Board of Trustees
From: Roger Pryor, Chair, Early Head Start Governance Council
Date: October 21, 2016

RE: Early Head Start Policy Updates

At its August meeting, the Board approved a sizable set of Early Head Start Policies, which you may recall are designed as high-level statements, each to be accompanied by more detailed procedure documents. **At its meeting on Wednesday, October 19, 2016, the EHS Governance Council gave passage to 20 additional policies and asks for your ratification on Friday, October 21.**

The policies in question are attached.

SOUTH CAROLINA FIRST STEPS – AGENCY POLICY

Policy Title:	Grievance Procedure		
Policy Number:	3.1	Effective Date:	October 1, 2016
Related Procedures	3.1 – Grievance Procedure		
Regulation References:			
SCFS Executive Director Approval Date:	<enter date>	EHS Director Approval Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>	Policy Council Approval Date:	<enter date>
Revisions Dates:			

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POLICY

The State Employee Grievance Procedure Act provides that each agency and department of State government shall establish an employee grievance procedure for covered employees which shall be reduced to writing and be approved by the State Human Resources Director. A copy of the approved grievance procedure must be made available to covered employees of the agency. Employees choosing to file a grievance or appeal must not be disciplined or otherwise prejudiced for exercising rights or testifying under the provisions of this policy.

As provided for in the Act, grievances or appeals shall include terminations, suspensions, involuntary reassignments in excess of thirty (30) miles from the prior work station, and demotions. Reclassifications, reassignments, and transfers within the same state salary range are not considered grievances or appeals. However, reclassifications are considered a grievance only if an agency, or an appeal if the State Human Resources Director, determines that there is a material issue of fact that the action is a punitive reclassification. Promotions are not adverse employment actions which may be considered grievances or appeals except in instances where the agency, or in the case of appeals, the State Human Resources Director, determines that there is a material issue of fact as to whether or not an agency has considered a qualified covered employee for a position for which the employee formally applied or would have applied if the employee had known of the promotional opportunity. However, when an agency promotes an employee one organizational level above the promoted employee's former level, that action is not a grievance or appeal for any other qualified covered employee. Failure to be selected for a promotion is not considered an adverse employment action which can be considered a grievance or an appeal.

A salary decrease based on performance as the result of an EPMS evaluation, is an adverse employment action that may be considered as a grievance or an appeal. A reduction in force is also an adverse employment action considered as a grievance only if the agency, or as an appeal if the State Human Resources Director, determines that there is a material issue of fact that the agency inconsistently or improperly applied its reduction in force policy or plan.

Prior to filing a formal grievance, the covered employee may first attempt to resolve the matter informally with his immediate supervisor. This matter may be presented verbally or in writing. However, this is merely an informal

SOUTH CAROLINA FIRST STEPS – AGENCY POLICY

attempt to resolve the matter and cannot be substituted for the requirements of this policy.

REFERENCED PROCEDURES

3.1 – Grievance Procedure

SOUTH CAROLINA FIRST STEPS – AGENCY POLICY

Policy Title:	Overtime		
Policy Number:	3.2	Effective Date:	October 1, 2016
Related Procedures	3.2 - Overtime		
Regulation References:			
SCFS Executive Director Approval Date:	<enter date>	EHS Director Approval Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>	Policy Council Approval Date:	<enter date>
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POLICY

The use of overtime should be an exception to the regular work schedule in any unit. An employee should only be required to work overtime on an occasional basis to meet a sudden increase in the workload, to overcome productive time lost due to some mechanical failure, or to meet the demands of a crisis situation.

When any unit and/or individual is found to be consistently charging overtime, the functions of that unit and/or individual should be reviewed by appropriate management. Every attempt should be made to avoid the repetitive and chronic use of overtime.

It shall be the responsibility of each manager to determine that the provisions of this policy are administered in the best interest of the Agency. Although each manager is responsible for the requesting of overtime, it is equally important to control unauthorized overtime. Unauthorized work shall be counted as hours worked if the responsible manager could have stopped it but did not, or if he/she knows or has reason to know of this practice.

PROCEDURE

3.2 - Overtime

SOUTH CAROLINA FIRST STEPS – AGENCY POLICY

Policy Title:	Progressive Discipline Policy		
Policy Number:	3.3	Effective Date:	October 1, 2016
Related Procedures	3.3 – Progressive Discipline		
Regulation References:			
SCFS Executive Director Approval Date:	<enter date>	EHS Director Approval Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>	Policy Council Approval Date:	<enter date>
Revisions Dates:			

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POLICY

SECTION A: GENERAL

A review of the progressive discipline procedures should be maintained to ensure that all supervisors are being consistent in taking disciplinary action against employees involved in similar situations and that employees are aware of the disciplinary actions. Consequently, each supervisor and employee will be given a copy of the policy. This progressive discipline policy does not apply to probationary employees who may be disciplined at the agency's discretion.

SECTION B: GUIDELINES

The circumstances surrounding an offense, such as the severity of the misconduct, the number of times it has occurred and any previous counseling, will suggest what action should be taken. Usually, counseling or an oral reprimand is sufficient for the first occurrence of a minor offense. A record of this action with the employee's and the supervisor's signatures should be placed in the employee's personnel file. A repetition of the offense or the first occurrence of a more severe offense should be followed by a written reprimand which becomes a part of the employee's permanent personnel file (which should also be signed by the employee as having been received and understood). Further repetitions of the offense or the first occurrence of a very serious offense is followed by suspension, reassignment, demotion, termination or other appropriate action. Please note that these are intended only to be guidelines because it is most difficult to be all-inclusive or to assign a degree of severity to the various examples given below. For example, "leaving the work station without authorization" may range from a temporary absence from the work station to complete abandonment of a position. In such case, a manager must rely on judgment as an administrator to arrive at appropriate disciplinary action. At management's discretion, individual offenses calling for oral or written reprimands could cumulatively result in suspension or termination.

SOUTH CAROLINA FIRST STEPS – AGENCY POLICY

SECTION C: VOLUNTARY RESIGNATIONS AND PERFORMANCE ISSUES

Employees who voluntarily fail to report to work for three consecutive workdays and fail to contact the agency during this time period will be considered to have voluntarily resigned. All performance -related problems should be addressed by the guidelines established in the Employee Performance Management System.

SECTION D: DISCIPLINARY ACTIONS

No disciplinary actions beyond a written reprimand may be taken without being authorized by the Agency Director or a designee. Division Directors, Unit Managers, or Supervisors may recommend appropriate discipline. The following steps shall be followed in such cases when discipline beyond the written reprimand is necessary.

1. The supervisor presents all facts surrounding the incident to the Unit Manager, or in the cases where the Unit Manager is initiating the action, he/she presents the facts to the Division Director with a recommendation for discipline.
2. If the Division Director agrees with the recommendation, the matter is next discussed with the Human Resources Officer and the Agency Director or a designee.
3. If action is to be taken, it shall be taken under the authority and signature of the Agency Director or a designee with the supervisor initiating such action.

OFFENSE	RANGE OF DISCIPLINARY ACTIONS
Unauthorized Leave	Written Reprimand to Termination
Habitual Tardiness or Failure to Observe Assigned Work Hours	Oral Reprimand to Termination
Abuse of Leave (Refer to Family and Medical Leave Act and Americans with Disabilities Act)	Oral Reprimand to Termination
Excessive Absenteeism (To be used for employees, who become unreliable because of frequent absenteeism, even if it is for good and sufficient reasons. Termination should be preceded by oral counseling in an attempt to inform the employee of the problem. Refer to Family and Medical Leave Act and Americans With Disabilities Act)	
Leaving Work Station Without Authorization	Oral Reprimand to Termination
Reporting to Work Under the Influence of Alcohol (Refer to Section 8-11-100 of the SC Code of Laws; Act on Alcoholism)	Suspension to Termination

SOUTH CAROLINA FIRST STEPS – AGENCY POLICY

Drinking Alcoholic Beverages on the Job (Refer to Section 8-11-100 of the SC Code of Laws; Act on Alcoholism)	Termination
Reporting to Work Under the Influence of Drugs	Suspension to Termination
Possessing or Using Illegal Drugs on the Job	Termination
Insubordination	Oral Reprimand to Termination
Falsification of Records or Documents	Suspension to Termination
Stealing	Termination
Negligence	Oral Reprimand to Termination
Willful Violation of Written Rules, Regulations or Written Policies	Suspension to Termination
Unauthorized Use of State Equipment or Property	Oral Reprimand to Termination
Destruction or Misuse of Property or Equipment	Written Reprimand to Termination
Unauthorized Solicitation or Sales on State Premises	Oral Reprimand to Termination
Unauthorized Possession of Firearms on the Job	Termination
Unauthorized Distribution of Written/Printed Material of Any Kind	Written Reprimand to Termination
Sleeping While on Duty	Written Reprimand to Termination
Horseplay	Oral Reprimand to Termination
Malicious Use of Profane/Abusive Language to Others	Oral Reprimand to Termination
Loafing	Oral Reprimand to Termination
Interference With Other Employee's Work	Oral Reprimand to Termination
Working on Personal Jobs During Work Hours	Oral Reprimand to Termination
Excessive Use of Telephone for Personal Matters	Oral Reprimand to Termination
Defacing State Property	Written Reprimand to Termination

SOUTH CAROLINA FIRST STEPS – AGENCY POLICY

Sexual Harassment (Refer to Sexual Harassment Policy)	Written Reprimand to Termination
Conviction of up to a felony	Termination
Conviction of a misdemeanor which adversely reflects on an individual's suitability for continued employment	Termination
Discourteous treatment of visitors and/or customers	Oral Reprimand to Termination
Failure to maintain satisfactory or harmonious working relationships with employees or supervisors	Oral Reprimand to Termination
Improper conduct or conduct unbecoming a state employee	Written Reprimand to Termination
Willful false statements to a supervisor	Suspension to Termination
Workplace Violence (Refer to Workplace Violence Policy)	Written Reprimand to Termination

The above indicated range of disciplinary actions or disciplinary action in response to specific offenses are to be used as a guide and are not intended to be all-inclusive. At the occurrence of any of the listed offenses, or any that are not listed, the appropriate discipline shall be determined after the particular circumstances of the case have been carefully considered. The state and federal laws referenced above are not all-inclusive in administering discipline.

EMPLOYEE COMMENTS

The employee may attach additional comments to any disciplinary action, if desired, within a preset amount of time.

WORKPLACE VIOLENCE

Section 7, Chapter 1, Title 1 of the 1976 Code of Laws, Article 21, Workplace Domestic Violence Policy (Section 1-1-1410) requires every state agency to develop and implement an agency workplace domestic violence policy and adopt a “zero tolerance” approach to the act or threat of violence of any kind. If employees engage in any violence in the workplace, or threaten violence in the workplace, their employment will be terminated immediately for cause. The “zero tolerance” approach must be applied to all forms of workplace violence. These include, but are not limited to:

- Physical-the use of force in order to harm;
- Threats-expressions of intent to inflict injury;
- Harassment-words, gestures, and actions which tend to annoy, alarm, or abuse another person;

SOUTH CAROLINA FIRST STEPS – AGENCY POLICY

- Property damage-intentional damage to property owned by the state, employees, visitors, or vendors; and
- Domestic-physical harm or injury or an offer or attempt to cause physical harm or injury by a household member.

SOUTH CAROLINA FIRST STEPS – AGENCY POLICY

Policy Title:	Reduction in Force		
Policy Number:	3.4	Effective Date:	October 1, 2016
Related Procedures	3.4 – Reduction in Force		
Regulation References:			
SCFS Executive Director Approval Date:	<enter date>	EHS Director Approval Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>	Policy Council Approval Date:	<enter date>
Revisions Dates:			

POLICY

The purpose of this policy is to prescribe the manner in which covered employees in State government are released in an equitable manner should a reduction in force become necessary. A reduction in force may require the separation, involuntary demotion, reassignment, or reduction in work hours of the Agency's covered employees. A reduction in force does not apply to non-covered employees (e.g., probationary employees, temporary employees, temporary grant employees, time-limited project employees, research grant employees, and employees exempt from the State Employee Grievance Procedure Act).

The Agency may implement a reduction in force for one or more of the following four reasons:

- A. Reorganization;
- B. Work Shortage;
- C. Loss of Funding; or
- D. Outsourcing/Privatization.

REFERENCED PROCEDURES

3.4 – Reduction in Force

SOUTH CAROLINA FIRST STEPS – AGENCY POLICY

Policy Title:	Employee Code Of Conduct		
Policy Number:	4.1	Effective Date:	October 1, 2016
Related Procedures	4.1 Employee Code of Conduct		
Regulation References:			
SCFS Executive Director Approval Date:	<enter date>	EHS Director Approval Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>	Policy Council Approval Date:	<enter date>
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POLICY

South Carolinians deserve good government, which includes, in part, citizens having the highest degree of confidence in the conduct of state officials and employees. Citizens depend on state officials and employees to make lawful, ethical decisions and expect them to serve the interests of the people, not their own, which is demonstrated by employees remaining free from favoritism, undue influence, and all forms of impropriety, real or perceived.

All state officials and employees are bound by the State Ethics Act ("Ethics Act"). Additionally, all SCFS employees are required to follow this SCFS Employee Code of Conduct (outlined in Procedure 4.1 – Employee Code of Conduct) and other state and federal laws. Failure to comply with this Policy may result in disciplinary action up to and including termination of employment.

The Code of Conduct ("Code") is intended to provide clear guidance, setting forth stringent and uniform standards of official conduct. Much of this Code merely restates in simple terms the rules that currently exist in the Ethics Act. Strengthening public confidence and trust in government requires the highest standard of conduct; therefore, some rules go beyond the Ethics Act to create a higher level of accountability.

SCFS has assigned its contractual attorney as Ethics Officer. Employees should address any questions of compliance with the Ethics Act to the Ethics Officer. His contact information is:

Roy F. Laney
 Riley Pope & Laney, LLC
 2838 Devine St.
 Columbia, SC 29205
 803 799-9993 Phone
 803 239-1414 Fax
 Email: rlaney@rplfirm.com

SOUTH CAROLINA FIRST STEPS – AGENCY POLICY

DEFINITIONS

Family Member - a spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild, and an individual claimed by you as a dependent for income tax purposes.

An individual with Whom You are Associated - an individual with whom you or a member of your immediate family mutually has an interest in any business of which you or a member of your immediate family is a director, officer, owner, employee, compensated agent, or holder of stock worth \$100,000 or more at fair market value and which constitutes five percent or more of the total outstanding stock of any class.

Business with Which You are Associated - a business of which you or a member of your immediate family is a director, officer, owner, employee, compensated agent, or holder of stock worth \$100,000 or more at fair market value and which constitutes five percent or more of the total outstanding stock of any class.

Official Function - writing or preparing the contract specifications, acceptance of bids, award of the contract, or other action on the preparation or award of the contract.

Procedures:

Procedure 4.1 – Employee Code of Conduct

SOUTH CAROLINA FIRST STEPS – EARLY HEAD START POLICY

Policy Title:	Child Abuse and Neglect		
Policy Number:	8.1	Effective Date:	August 18, 2016
Related Procedures	8.1 – Child Abuse and Neglect		
Regulation References:			
SCFS Executive Director Approval Date:	August 18, 2016	EHS Director Approval Date:	August 18, 2016
SCFS Board of Trustees Approval Date:	August 18, 2016	Policy Council Approval Date:	August 15, 2016
Revisions Dates:			

POLICY

All EHS employees who are working directly with children shall be considered mandated reporters as regards possible abuse and/or neglect. SCFS and/or its contracted CCPs will provide training on the indicators of possible child abuse/neglect to staff working directly with children.

As mandated reporters, any employee of SCFS EHS, having reasonable cause to believe that any child with whom that employee comes in contact in an official capacity has suffered abuse, shall report or cause a report to be made immediately to the SC Department of Social Services.

South Carolina First Steps will not tolerate any form of child abuse or neglect. Incidents which involve staff will be reported to the required state authorities, Center Supervisor and EHS Program Director. The Center Director, working in coordination with the EHS Program Director, will remove the staff person from involvement with children and/or place the individual on leave or suspension until the investigation is completed. In the event that a case of abuse or neglect involving an EHS staff member is determined to be founded, the employee will be terminated.

DEFINITIONS

SCFS: South Carolina First Steps

CCPs: Child Care Partners

EHS: Early Head Start

REFERENCED PROCEDURES

8.1 – Child Abuse and Neglect

SOUTH CAROLINA FIRST STEPS POLICY

Policy Title:	Purchasing and Procurement (SCFS)		
Policy Number:	17.1	Effective Date:	
Related Procedures	17.1 – Purchasing and Procurement (SCFS)		
Regulation References:	2 Code of Federal Regulations (CFR) Part 200.318(c)(1); 200.319;320;321;324 and CFR Part 75.326 through Part 75.340		
SCFS Executive Director Approval Date:	<enter date>	EHS Director Approval Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>	Policy Council Approval Date:	<enter date>
Revisions Dates:			

POLICY

SCFS will meet all state and federal requirements for procurement as established in the SC Department of Education's Office of Procurement Division Procedure Manual. (Reference CFR 75.326 Procurement by States)

DEFINITIONS

SCFS: South Carolina First Steps

REFERENCED PROCEDURES

17.1 – Purchasing/Procurement

SOUTH CAROLINA FIRST STEPS POLICY

Policy Title:	Contracts (SCFS)		
Policy Number:	17.2	Effective Date:	<ENTER DATE>
Related Procedures	17.2 – Contracts (SCFS)		
Regulation References:	2 CFR Part 200.318(b), Appendix II to CFR 75		
SCFS Executive Director Approval Date:	<enter date>	EHS Director Approval Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>	Policy Council Approval Date:	<enter date>
Revisions Dates:			

POLICY

SCFS will follow the requirements of the SC Consolidated Procurement Code for purchase of all services and goods. This will include any requirements for contracting for the provision or purchase any services or goods. Contracting includes memoranda of agreement, where funds usually do not change hands. SC First Steps, as a Grantee for the Early Head Start Partnership Grant will follow 2 CFR 318(c)(1) in relation to the use of the SC state procurement code. To meet the requirements in Appendix II Part of CFR 75 & and 200.31(b), language outlined in Procedure 17.2 will be included in contracts for SCFS Early Head Start and other federal grants as required.

DEFINITIONS

SCFS: South Carolina First Steps

CFR: Code of Federal Regulations

Contracts: Contracts are documents between two parties expressing the intent and requirements of each party.

REFERENCED PROCEDURES

17.2 – Contracts (SCFS)

SOUTH CAROLINA FIRST STEPS POLICY

Policy Title:	Accounts Payable (SCFS)		
Policy Number:	17.3	Effective Date:	
Related Procedures	17.3 – Accounts Payable (SCFS)		
Regulation References:			
SCFS Executive Director Approval Date:	<enter date>	EHS Director Approval Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>	Policy Council Approval Date:	<enter date>
Revisions Dates:			

POLICY

SCFS strives to maintain efficient business practices and optimal cost control. A well-managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and bank reconciliation. The Accounts Payable section of the Office of Finance will process financial documents in a timely and accurate manner while providing fiscal control through its procedures and adhering to all state, federal, and agency policies. The following are general policies for accounts payable:

- Disbursements are properly authorized,
- Invoices are processed in a timely manner, and
- Contractor credit terms and operating cash are managed for maximum benefits.

DEFINITIONS

SCFS: South Carolina First Steps

REFERENCED PROCEDURES

17.3 – Accounts Payable

SOUTH CAROLINA FIRST STEPS POLICY

Policy Title:	Accounts Receivable (SCFS)		
Policy Number:	17.4	Effective Date:	
Related Procedures	17.4 – Accounts Receivable (SCFS)		
Regulation References:			
SCFS Executive Director Approval Date:	<enter date>	EHS Director Approval Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>	Policy Council Approval Date:	<enter date>
Revisions Dates:			

POLICY

The Accounts Receivable (AR) section within the SCFS Office of Finance will record, receipt, secure, and deposit all SC First Steps' funds received from the sale of goods, fees, fines, refunds, registrations, and all other agency functions in accordance with state and federal rules and regulations.

DEFINITIONS

SCFS: South Carolina First Steps

AR: Accounts Receivable

REFERENCED PROCEDURES

17.4 – Accounts Receivable

SOUTH CAROLINA FIRST STEPS

Policy Title:	Identifying High Risk Concerns		
Policy Number:	SCFS – Fiscal 17.14	Effective Date:	08-3-2016 Draft
Related Procedures	17.14 – Identifying High Risk Areas		
Regulation References:	Head Start Act		
SCFS Executive Director Approval Date:	<enter date>	EHS Director Approval Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>	Date:	<enter date>
Revisions Dates:			

POLICY

The governing board of Trustees and Policy Council are responsible for oversight of the Early Head Start agency policies, procedures and actions to ensure they are in compliance with Head Start laws and regulations as well as the laws and rules of the EHS funding sources. Failure to follow the rules may result in paying back funds, or, ultimately, defunding. Therefore, the Governing Board of Trustees and Policy Council must be aware of sensitive, or “red flag), issues or situations that are particularly risky.

PROCEDURES

Procedure 17.4 – Identifying High-Risk Concerns

SOUTH CAROLINA FIRST STEPS – EARLY HEAD START

Policy Title:	Budget Development and Revisions		
Policy Number:	SCFS – Fiscal – 17.15	Effective Date:	08-3-2016 Draft
Related Procedures	17.15 – Budget Development and Revisions		
Regulation References:	2 CFR Part 200.308		
SCFS Executive Director Approval Date:	<enter date>	EHS Director Approval Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>	Date:	<enter date>
Revisions Dates:			

POLICY

Budgeting is an integral part of managing any organization in that is concerned with the translation of organization goals and objectives into financial terms. A budget should be designed and prepared to direct the most efficient and prudent use of the organization's financial and human resources.

Budgets are prepared for funding sources, and each Program Director must be aware of budget modification requirements. Awarding agencies may or may not require approval for changes in line items. South Carolina First Steps will document and follow all such requirements.

PROCEDURES

Procedure 17.5 – Budget Development and Revisions

SOUTH CAROLINA FIRST STEPS POLICY

Policy Title:	Federal Drawdown-Reimbursements (SCFS)		
Policy Number:	17.5	Effective Date:	
Related Procedures	17.5 - Federal Drawdown-Reimbursements (SCFS)		
Regulation References:			
SCFS Executive Director Approval Date:	<enter date>	EHS Director Approval Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>	Policy Council Approval Date:	<enter date>
Revisions Dates:			

POLICY

SCFS will expend and account for Federal awards in accordance with state laws and procedures for expending and accounting for the state's own funds. Payments are governed by Treasury, State CMIA agreements and default procedures codified at 31 CFR Part 205 "Rules and procedures for efficient Federal-State Funds Transfers," and RFM 4A-2000 "Overall Disbursing Rules for All Federal Agencies." In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must permit the preparation of reports required by general and program specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.

DEFINITIONS

SCFS: South Carolina First Steps
CFR: Code of Federal Regulations

REFERENCED PROCEDURES

17.5 – Federal Drawdown-Reimbursements

SOUTH CAROLINA FIRST STEPS – EARLY HEAD START POLICY

Policy Title:	Insurance		
Policy Number:	SCFS – Fiscal 17.6	Effective Date:	08-09-2016
Related Procedures	17.6 - Insurance		
Regulation References:	Part 2 CFR 200.310		
SCFS Executive Director Approval Date:	<enter date>		<enter date>
SCFS Board of Trustees Approval Date:	<enter date>		<enter date>
Revisions Dates:			

POLICY

As an entity within the State of South Carolina, South Carolina First Steps is insured under State of South Carolina Insurance Reserve Fund.

DEFINITIONS

South Carolina First Steps maintains adequate insurance for general liability, as well as coverage for buildings, contents, computers, machinery, and other items of value through the South Carolina Insurance Reserve Fund.

REFERENCED PROCEDURES

For any item purchased which requires insurance notice is provided to the South Carolina Insurance Reserve Fund, per their guidelines. The Insurance Reserve Fund adds the item to the insurance policy. The insurance coverage is reviewed and renewed annually to ensure that adequate coverage is maintained.

SOUTH CAROLINA FIRST STEPS

Policy Title:	Financial Reporting		
Policy Number:	SCFS – Fiscal 17.7	Effective Date:	08-10-16 Draft
Related Procedures	17.7 – Financial Reporting		
Regulation References:	2 CFR 200.328		
SCFS Executive Director Approval Date:	<enter date>	EHS Director Approval Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>		<enter date>
Revisions Dates:			

POLICY

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making sound decisions in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the Organization. Financial statements may reflect year-to-year historical comparisons or current year budget-to-actual comparisons. Financial statements may take the form of ad-hoc reports for specific programs or for specific purposes, outside the standard set of financial statements indicated for accounting purposes.

DEFINITIONS

Statement of Financial Position – Reflects assets, liabilities, and net assets of the Organization and classifies assets and liabilities as current or noncurrent/long-term and net assets by category (unrestricted, temporarily restricted, and/or permanently restricted.)

Statement of Activities – Presents support, revenues, expenses, and other changes in net assets of the Organization, by category of net asset (unrestricted, temporarily restricted, and permanently restricted), including reclassifications between categories of net assets.

Statement of Cash Flows – Reports the cash inflows and outflows of the Organization in three categories: operating activities, investing activities, and financing activities.

Statement of Functional Expenses – Presents the expenses of the Organization in a natural or objective format and by function (i.e., which program or supporting service was served).

REFERENCED PROCEDURES

17.7 – Financial Reporting

SOUTH CAROLINA FIRST STEPS – EARLY HEAD START

Policy Title:	Administrative Cost		
Policy Number:	SCFS-Fiscal – 17.8	Effective Date:	08-10-2016
Related Procedures	17.8 – Administrative Cost		
Regulation References:	45 CFR 1301.32		
SCFS Executive Director Approval Date:	<enter date>	EHS Director Approval Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>	Policy Council Approval Date:	<enter date>
Revisions Dates:			

POLICY

Development and Administrative Costs are limited by standard 1301.32 to 15% of the entire Early Head Start grant and non-federal share total. The remaining percentage consists of program costs, sometimes referred to as operating costs.

DEFINITIONS

15% Administrative Costs:

To calculate the Administrative Costs, add the federal amount of the grant and the non-federal amount together and take 15% percent of the total. The Early Head Start Program's Administrative Costs cannot exceed this amount.

REFERENCED PROCEDURES

17.7 – Administrative Cost

SOUTH CAROLINA FIRST STEPS – EARLY HEAD START POLICY

Procedure Title:	Non-Federal Resources (In-Kind)		
Procedure Number:	SCFS – Fiscal 17.9	Effective Date:	Draft 08-10-2016
Sub Procedures (or content areas)	17.9 – Non-Federal Resources (In-Kind)		
Policy Title Reference:	<insert title of Policy these Procedures aligned under>		
Regulation References:	2 CFR 200 .306, CFR 75.306		
Forms:	In-Kind Form (A),(B),(C),(D)(E)		
SCFS Executive Director Approval Date:		EHS Director Approval Date:	
Revisions Dates:			

OVERVIEW

Federal financial assistance granted under the Head Start Act will not exceed 80 percent of the total costs of the program. Twenty percent of the total program costs will be acquired from non-federal sources. SC First Steps Early Head Start Program values contributed services and property that are to be used to meet a cost sharing or matching requirement at their fair market values at the time of contribution; unless award documents or federal organization regulations identify specific values to be used.

DEFINITIONS

Non-Federal Share is the matching portion of funds the grantee must receive in order to meet the requirements of the grant.

SC First Steps Early Head Start Program shall claim contributions as meeting a cost sharing or matching requirement of a federal award only if all of the following criteria are met:

- They are verifiable from SC First Steps Early Head Start records.
- They are not included as contributions (or match) for any other federally-assisted project or program.
- They are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
- They are allowable under the federal cost principles, 2 CFR Part 200 Subpart E, Cost Principles.
- They are not paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing or matching.
- They are provided for in the approved budget when required by the federal awarding organization.
- They conform to all provisions of federal administrative regulations, 2 CFR Part 200 Subpart D, Post Federal Awards Requirements.
- In the case of donated space, (or donated use of space), the space is subject to an independent appraisal performed by a certified appraiser as defined by 2 CFR Part 200.306(i)(1) to establish its value. (According to 2 CFR Part 200.306(i)(1) "an independent appraiser is a certified real property appraiser or General Services Administrative representative". A Real Estate agent does not qualify.)

PROCEDURE

17.9 – Non-Federal Resources (In-Kind)

SOUTH CAROLINA FIRST STEPS

Policy Title:	Single Audit		
Policy Number:	SCFS – Fiscal 17.10	Effective Date:	08-09-16 Draft
Related Procedures	17.10 – Single Audit		
Regulation References:	2 CFR 200.500-521		
SCFS Executive Director Approval Date:	<enter date>	EHS Director Approval Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>	Date:	<enter date>
Revisions Dates:			

POLICY

A considerable amount of what is contained in this subpart is derived from provisions of the Single Audit Act of 1984 (as amended). Congress instructed that OMB was authorized to issue policies, procedures and guidelines to implement the Act.

When Congress amended the Single Audit in 1996, it was to delegate to OMB the authority to consider and make adjustments in the threshold amount of federal award expenditures that would trigger the requirement to have a single audit performed. OMB has raised the threshold amount of federal award expenditures that would trigger the requirement to have a single audit performed to \$750,000.

Part 2 CFR Part 200.508 states that grantee will secure the services of an independent auditor. SC First Steps will adhere to the current single audit requirement for federal award expenditures.

DEFINITIONS

Single audits are required to be accomplished in accordance with the Generally Accepted Government Auditing Standards. These are issued by the Government Accountability Office and often referred to as Government Auditing Standards, GAGAS or the Yellow Book (www.gao.gov/yellowbook).

REFERENCED PROCEDURES

Procedure 17.10 – Single Audit

SOUTH CAROLINA FIRST STEPS

Policy Title:	Oversight & Approval of Financial Management, Accounting, Reporting, & Compliance		
Policy Number:	SCFS – Fiscal – 17.11	Effective Date:	08-03-2016-Draft
Related Procedures	Procedure 17.11 - Oversight & Approval of Financial Management, Accounting, Reporting, & Compliance		
Regulation References:	Head Start Act 642(c)(1)(E)(iv)(VII(aa)-(bb))		
SCFS Executive Director Approval Date:	<enter date>	EHS Director Approval Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>	Date:	<enter date>
Revisions Dates:			

POLICY

It is the policy of SC First Steps that the appropriate governing authority shall approve financial management, accounting, and reporting policies as necessary by state and federal statutes, regulations and other requirements. The authority shall ensure compliance with laws and regulations related to financial statements. The authority will provide approval of all major financial expenditures of the agency, annual operating budget, SCFS's Financial Policies and Procedures, audit, and financial reports to be filed by federal and state laws and regulations, including IRS Form 990 as appropriate for the funding source and the organizations structure.

DEFINITIONS

SCFS: South Carolina First Steps
IRS: Internal Revenue Service

PROCEDURES

Procedure 17.11 - Oversight & Approval of Financial Management, Accounting, Reporting, & Compliance

SOUTH CAROLINA FIRST STEPS

Policy Title:	Cost of Living Adjustment		
Policy Number:	SCFS – Fiscal 17.12	Effective Date:	08-03-2016 Draft
Related Procedures	17.12 – Cost of Living Adjustment		
Regulation References:	SC General Assembly, ACYF Program Instruction, Early Head Start Act		
SCFS Executive Director Approval Date:	<enter date>	Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>	Date:	<enter date>
Revisions Dates:			

POLICY

Cost of Living Adjustments and their respective amounts will be given to all employees as determined by the South Carolina General Assembly and approved by the Senior Management Team for SC First Steps.

DEFINITIONS

N/A

PROCEDURES

Procedure 17.12 – Cost of Living Adjustments

SOUTH CAROLINA FIRST STEPS

Policy Title:	Indirect Cost		
Policy Number:	SCFS – Fiscal. – 17.13	Effective Date:	08-03-2016
Related Procedures	17.13 – Indirect Cost		
Regulation References:	45 CFR Part 2 – 200-414		
SCFS Executive Director Approval Date:	<enter date>	EHS Director Approval Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>	Date:	<enter date>
Revisions Dates:			

POLICY

South Carolina First Steps is an organization whose funding resides within the South Carolina Department of Education. The SC Department of Education has a 3% Indirect Cost Rate.

PROCEDURES

An Indirect Cost Rate of 3% is applied to all funds with specific exceptions according to their federally approved process. This rate may be adjusted annually if a new rate is received South Carolina Department of Education.

SOUTH CAROLINA FIRST STEPS – EARLY HEAD START

Policy Title:	Budget Development and Revisions		
Policy Number:	SCFS – Fiscal – 17.15	Effective Date:	08-3-2016 Draft
Related Procedures	17.15 – Budget Development and Revisions		
Regulation References:	2 CFR Part 200.308		
SCFS Executive Director Approval Date:	<enter date>	EHS Director Approval Date:	<enter date>
SCFS Board of Trustees Approval Date:	<enter date>	Date:	<enter date>
Revisions Dates:			

POLICY

Budgeting is an integral part of managing any organization in that is concerned with the translation of organization goals and objectives into financial terms. A budget should be designed and prepared to direct the most efficient and prudent use of the organization's financial and human resources.

Budgets are prepared for funding sources, and each Program Director must be aware of budget modification requirements. Awarding agencies may or may not require approval for changes in line items. South Carolina First Steps will document and follow all such requirements.

PROCEDURES

Procedure 17.15 – Budget Development and Revisions