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10530 Rosehaven Street, Suite 400 • Fairfax, VA 22030 • Phone: 800-616-2242
Fax: 800-716-2242 • Email: info@nccic.org • Web: <http://nccic.acf.hhs.gov>

A FISCAL MANAGEMENT CHECKLIST FOR PARTNERSHIPS¹

Purpose

This checklist identifies key issues to be addressed regarding the fiscal aspects of projects in early care and education that involve multiple partners and funding sources. The following checklist is designed to stimulate discussion and determine necessary policies and practices to ensure that the funds used by partners are effectively leveraged and managed to meet the goals of the project.

Outline

The checklist contains four sections:

- I. Funding Sources
- II. Multiple Funding Streams
- III. Fiscal Agreements
- IV. Fiscal Reporting

Directions for Use by Partners

Questions in each of the sections are often interrelated; therefore, partners may want to address each section of the checklist together. Some partners may use the checklist when the partnership is forming; others might find it helpful in refining the fiscal aspects of their partnership.

Please note that not every question applies to every initiative funded by multiple partners; however, each question should stimulate awareness and discussion between partners, helping to build a solid understanding and ultimate agreement on the fiscal aspects of the partnership agreement.

¹ *A Fiscal Checklist for Partnerships*. Quality in Linking Together (QUILT), a project of the Child Care Bureau and Head Start Bureau, U.S. Department of Health and Human Services.

I. Funding Sources		Not Yet Addressed	In progress	Done	Action Steps
<input type="checkbox"/>	Identify the specific fiscal resources (cash and in-kind) that will be used to meet the goals of the project.				
<input type="checkbox"/>	Partners have considered strategies to maximize all available funding (e.g., child care subsidies, special grants, foundations) to support the project.				
<input type="checkbox"/>	Partners have familiarized themselves with the policies or rules of each of their funders that are pertinent to the project. They are aware of the restrictions and/or caps of each funding source and the impact on the project.				
<input type="checkbox"/>	Partners are aware of the match/in-kind requirements for each funding source and the implications for each partner of these requirements.				
<input type="checkbox"/>	Partners have considered approaches to access additional funding (e.g., business support, tax incentives) and identified which partner will take the lead to pursue new opportunities.				
<input type="checkbox"/>	Partners have developed a process for sharing information about additional funding opportunities.				

Additional Questions and/or Issues for Followup

II. Multiple Funding Streams		Not Yet Addressed	In Progress	Done	Action Steps
<input type="checkbox"/>	Partners have agreed on an approach to using multiple funding streams (i.e., braiding or blending funds ²).				
<input type="checkbox"/>	The fiscal agreement reflects the partnership's approach to using multiple funding streams.				
<input type="checkbox"/>	The partnership has selected a fiscal agent for the project that can manage multiple funding streams and ensure accountability.				
<input type="checkbox"/>	Fiscal systems are in place (at all agencies/groups contributing funding) to ensure the integrity of the funding streams.				
<input type="checkbox"/>	Partners have determined a fiscal accounting plan that supports use of multiple funding streams (i.e., a cost allocation plan). The partners have determined how this plan will be developed, what it will include, and who will approve it.				

Additional Questions and/or Issues for Followup

² Reference the definition on pages 12–14 of "Friends National Resource Center for Community-Based Child Abuse Prevention." (September 22, 2006). *Workshop materials: Maximizing resources for CBCAP State lead agencies: Teleconference training*. Retrieved February 3, 2008, from www.friendsnrc.org/download/maxresourceshandout.pdf.

III. Fiscal Agreements		Not Yet Addressed	In progress	Done	Action Steps
<input type="checkbox"/>	Determine who should be involved in development and approval of the fiscal agreement (e.g., independent auditors, financial officers, governing bodies).				
<input type="checkbox"/>	Determine the fiscal agent for each funding source.				
<input type="checkbox"/>	Determine which issues of the fiscal agreement need to be included in the partnership agreement/contract.				
<input type="checkbox"/>	Ensure the fiscal agreement addresses the process and timeframe for payments to partners, and how such payments are authorized (e.g., enrollment, length of agreement, improvements, termination of agreement).				
<input type="checkbox"/>	Agreement among the partners that the fiscal agreement aligns with and supports the partnership's goals.				
<input type="checkbox"/>	As necessary, ensure the project budget attached to the fiscal agreement addresses:				
	○ Personnel costs – salaries, fringe benefits				
	○ Facilities – occupancy, utilities, telephone, license fees, taxes, maintenance, and renovations				
	○ Insurance – professional liability, indemnification, vehicle, staff, child, and property				
	○ Equipment – as defined by the funding sources (e.g., any item costing more than \$5,000)				
	○ Supplies – both consumable and nonconsumable				
	○ Transportation – fuel, maintenance, insurance, and registration/licensing fees				
	○ Staff development – training and				

III. Fiscal Agreements		Not Yet Addressed	In progress	Done	Action Steps
	certifications				
	○ Contracts – such as contracts for additional services (e.g., mental health, nutrition, etc.)				
	○ Continuous program improvement – including meeting higher standards				
	○ Matching contributions (cash and in-kind)				
	○ Overlapping/different fiscal years of each funding source/fiscal agent				
<input type="checkbox"/>	Ensure the fiscal agreement addresses what happens to jointly purchased items once partnership ends.				
<input type="checkbox"/>	Determine whether project expenditures require special authorization (waivers, change in fiscal year, and detailed description of matching funds) from the funder and make plan for obtaining.				
<input type="checkbox"/>	Ensure that fiscal agreement addresses allowable and nonallowable partnership expenses.				
<input type="checkbox"/>	A process and timeline for reviewing and revising the fiscal agreement has been determined.				
<input type="checkbox"/>	An “escape clause” has been included in the agreement to ensure that funds are committed <i>based on the availability of funding</i> and that there is a process to address any needed changes. ³				

Additional Questions and/or Issues for Followup

³ Friends National Resource Center for Community-Based Child Abuse Prevention. (2006). Checklist for developing fiscal partnerships for CBCAP Lead Agencies. *Workshop materials: Maximizing resources for CBCAP State lead agencies: Teleconference training*. Retrieved February 3, 2008, from www.friendsnrc.org/download/maxresourceshandout.pdf.

IV. Fiscal Reporting		Not Yet Addressed	In progress	Done	Action Steps
<input type="checkbox"/>	Each partner is aware of its requirements for tracking and reporting partnership expenditures, revenues, and match requirements.				
<input type="checkbox"/>	The partnership has agreed on fiscal reporting mechanisms: who will develop, receive, approve, analyze, and act on fiscal reports.				
<input type="checkbox"/>	The implications of funding source reporting requirements have been discussed by the partners and partners know which documentation to maintain.				
<input type="checkbox"/>	The auditing requirements of the partner agencies are made public and partnership decides how to share audit reports.				

Additional Questions and/or Issues for Followup