

**Office of the President**

Shippensburg University  
1871 Old Main Drive  
Shippensburg, PA 17257-2299



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**Council of Trustees**

Friday, May 3, 2024 | 1:45 PM | CUB MPR

**Public Meeting Agenda**

1. Call to Order  
Presenter: Mr. Doug Harbach, Chair

**ACTION**

2. The Pledge of Allegiance

3. Roll Call

4. Public Comments

5. Board Action Items  
Presenter: Mr. Doug Harbach, Chair

**ACTION:** Approval of Published Agenda

**ACTION:** Approval of Minutes

**ACTION:** Presentation and Approval of Board Nominations

6. President's Report  
Presenter: Dr. Charles E. Patterson, President

7. From the Division of Academic Affairs  
Presenter: Dr. Tracy Schoolcraft, Associate Provost

**ACTION:**HeadStart- Area of Concern on FA1 to be corrected

**ACTION:**HeadStart- Non-Federal share waiver

8. From the Division of Administration & Finance  
Presenter: Dr. Jolinda Wilson, Vice President Administration and Finance

**ACTION:** Capital Budget Priorities 2024

**ACTION:** 2024-2025 Fee schedule

**ACTION:** Reaffirmation of Fee waivers

Purchases & Contracts

Personnel Actions

9. From the Division of Enrollment Management & Marketing  
Presenter: Dr. Megan Luft, Interim Associate Vice President Enrollment and Marketing

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10. From the Division of Student Affairs

Presenter: Lorie Sheetz, Vice President Student Affairs and Dean of Students

11. Reports

APSCUF Report

Presenter: Dr. Kara Laswkoski, APSCUF immediate past President

AFSCME Report

Presenter: Ms. Stephanie Decker, Representative

SCUPA Report

Presenter: Mr. Kyle Miller, Representative

Alumni Association Report

Presenter: Mr. Steve Thomas, SUAA President

Student Government Association Report

Presenter:

Graduate Student Association Report

Presenter: TBD

12. New Business

- Recognition of student trustee Rangeline DeJesus
- Recognition of outgoing trustee, Antoinette Marchowsky
- Recognition of former trustee, Andrew Alosi
- Next Meeting: September 20, 2024- Iron Valley Golf Club, Lebanon PA

13. Adjournment

4.29.24

Shippensburg University Current Capital Facilities Plan Projects FY2025-2029

Priority		Bill	Authorization	Estimate	SU CFP year	Comments
1	Replace Henderson Hall and Addition for Athletics and Academics	83/06	\$13,500,000	\$41,312,000	FY2026-2027	Title IX compliance; Athletics facilities master plan complete; need feasibility study. Locker room study completed.
2	Renovation of Old Main, Phase II	113/88	\$1,200,000	\$15,113,000	FY2027-2028	Need feasibility study to update authorization and estimate.
3	Renovation/Addition to Heiges Field House and Performance Laboratory	2009 Request	\$50,000,000	\$36,619,000	FY2028-2029	Title IX compliance; Athletics facilities master plan complete; feasibility study needs to be updated. Locker room study completed.

SHIPPENSBURG UNIVERSITY

Fee Schedule 1  
2024-25 Student Fees - Semesters I and II

UNDERGRADUATE STUDENTS	International				
	PA	Non	Domestic	On-Line	
	Residents	Residents	Non-Residents	Non-Resident	
Full-time Tuition*	N/A	8681	5787		per semester (12 to 18 SCH)
Per Credit Tuition*	319	N/A	N/A		per SCH
Part-time Tuition*	N/A	725	482	328	per SCH (under 12 or over 18 SCH)
Advance Registration	100	100	100		deposit (new students)
Educational Services Fee	408	408	408		per semester (over 11 SCH)
	34	34	34	34	per SCH (1-11 SCH)
Technology Fee*	239	364	364		per semester (over 11 SCH)
	20	30	30	30	per SCH (1 to 11 SCH)
Student Success Fee***	325	325	325		per semester (over 11 SCH)
	27	27	27	27	per SCH (1 to 11 SCH)
Student Union Fee	300	300	300		per semester (over 11 SCH)
	25	25	25	N/A	per SCH (1 to 11 SCH)
Activity Fee*	24	24	24		per SCH
Recreation Fee	198	198	198		N/A per semester (over 11 SCH)
	16	16	16		per SCH (1 to 11 SCH)
Comprehensive Health Fee	170	170	170		N/A per semester (over 11 SCH)
	14	14	14		per SCH (1 to 11 SCH)

GRADUATE STUDENTS	On-Line			
			Non-Resident	
Tuition*	516	774	526	per SCH
Educational Services Fee	82	82	82	per SCH
Technology Fee*	28	40	40	per SCH
Student Union Fee	25	25	N/A	per SCH
Activity Fee*	20	20	N/A	per SCH
Comprehensive Health Fee	14	14	N/A	per SCH
Miller Analogies Test	85	85	85	per test

DOCTORATE STUDENTS				
Tuition*	671	1006	684	per SCH
Technology Fee*	28	40	40	per SCH

CHARGES COMMON TO RESIDENTS AND NON-RESIDENTS

Housing - per semester		Application Fee - per application processed	45
Unit B (2-Person, 1-Bed Semi)	3979	Application Fee - per application processed	15
Unit B (2-Person, 1-Bed Semi) Single Rate	5969	(for non-degree students)	
Unit C & C-ACC(2-Person, 2-Bed Semi)	5159	Admissions Tuition Deposit for ug and grad	100
Unit D1 (2-Person, 1-Bed Suite)	4915	Room Reservation - deposit	200
Unit D2 & D3 (4-Person, 2-Bed Suite)	4794	Orientation Fee - new students	150
Unit E1 & E1A (2-Person, 2-Bed Suite)	5665	Parking Fee - per year	75
Unit F (4-Person, 4-Bed Suite)	5159	Degree Fee - per graduation - Undergrad	35
RA Unit	3979	Degree Fee - per graduation - Graduate	60
Traditional UG Double	2757	Transcript Fee-electronic	8
Campus (Graduate)	1910	Transcript Fee-paper	10
Common Damage Fee - per sem	15	Thesis/Dissertation Fee (for binding, per copy)	22
(residence hall students only)		Credit by Examination - per exam	80
Food Service - per semester		Placement Re-Testing Fee - per re-take	10
Admiral plan 250 Flex	2532	Field Placement Fee	100
Admiral Plus plan 350 flex	2632	Off-campus Support Fee - per credit	10
14 meal plan 300 flex	1914	Payment Plan Fee	40
10 meal plan** 350 flex	1682	Late Payment Fee - per event	100
80 Block Plan** 300 flex	1229	Bad Check Charge - per check	35
Flex dollars only - minimum**	100	Counseling Center Missed Appointment Fee	25

Additional flex \$ may be purchased in \$25 increments.

\*Does not require Council of Trustees approval.

\*\*Available to off-campus students only

\*\*\*Incoming matriculating UG with admit term of Fall 2019

Approved by Council of Trustees:

# Shippensburg University

## President's Recommendations for Continuation of Fee Waivers Academic Year 2024-25

<u>Affected Students</u>	<u>Waivers of:</u>											
<u>Categories:</u>	<u>Grad</u>	<u>U/G</u>	<u>Tuition</u>	<u>Room</u>	<u>Board</u>	<u>Health Fee</u>	<u>Student Union Fee</u>	<u>Activity Fee</u>	<u>Recreation Fee</u>	<u>Student Success Fee</u>	<u>Ed. Svcs. Fee</u>	<u>Tech. Fee</u>
1. Graduate Assistants	X		X									
2. Graduate Residence Directors	X		X	X	X							
3. Senior Citizens	X	X	X			X	X	X	X			
4. Act 101 (summer only)		X	X	X	X	X	X	X	X	X	X	X
5. JFK Program (25)	X	X	X*									
6. All students enrolled in courses or programs where fees are funded by a grant or contract	X	X	X	X	X	X	X	X	X	X	X	X
7. Board of Governors' Student Scholarship		X	X									
8. Resident Assistants summer only		X		X	X							
fall/spring		X			X							
9. Reserve Officers Training Corps (All Military Science Course Credits)	X	X	X									
10. PA National Guard Education Assistance Program (EAP) (for amounts above the System's full-time tuition rate, up to 18 credits)		X	X									
11. Postsecondary Educational Gratuity Program (PEGP)		X**	X	X	X	X	X	X	X	X	X	X
12. PA Fostering Independence Tuition Waiver Program (FosterEd)		X**	X	X	X	X	X	X	X	X	X	X

\* Difference between in-state and out-of-state tuition for undergraduate students only.

\*\* Waivers will be applied after financial aid is applied.

Approved by Council of Trustees -

Shippensburg University  
Shippensburg, Pennsylvania

**PURCHASES EXCEEDING \$23,200**  
February 1, 2024 to April 12, 2024  
Fiscal Year 2023/2024

<u>Purchase Order Number</u>	<u>Vendor</u>	<u>Purpose</u>	<u>Type of Purchase</u>	<u>Amount</u>
4500708758	Black Walnut Productions, LLC	Provide Labor and Equipment for LPAC Events	PA State Contract	\$120,000
4500714843	Academic Search, Inc.	Consulting Services for Provost and VP President for Academic Affairs & VP for Enrollment Management	PASSHE Contract	\$102,709
4500720508	Ellucian Company, LLC	Workflow Consulting & Project Management	PASSHE Contract	\$48,246
4500720518	Strata Information Group, Inc.	Software Migration to Argos for Reporting Tool	PA State Contract	\$61,200
4500721456	Johnson Controls Us Holdings, LLC	Video & Access Security Maintenance and Software Support	PA State Contract	\$91,582
4500721721	PA Media Group	Advertising Services for Undergraduate Dec 2023	PASSHE Contract	\$27,200
4500721722	PA Media Group	Advertising Services for Undergraduate Nov 2023	PASSHE contract	\$30,200
4500721723	PA Media Group	Advertising Services for Undergraduate Oct 2023	PASSHE contract	\$25,200
4500722127	Ithaca Harbors, Inc.	JSTOR Online Library Database	PASSHE Contract	\$35,375
4500723655	Ellucian Campuslogic, Inc.	Cloud Software	PASSHE Contract	\$99,239
4500724477	PA Media Group	Advertising Services for Summer 2024 Graduate Program	PASSHE contract	\$41,500
4500727021	Sauder Manufacturing Co.	Dorm Furniture	PA State Contract	\$37,984
4500727104	Cengage Learning, Inc.	Gale EBook Subscription	PASSHE Contract	\$26,440
4500727105	PA Media Group	Advertising Services for Shippensburg University	PASSHE contract	\$40,700
4500701581**	Cardiac Care & Safety, Inc.	CPR/First Aid Training (ECE PDO)	Intergovernmental Subgrant Agreement	\$121,007

4500701792**	Emil John Schmidt III	CPR/First Aid Training (ECE PDO)	Intergovernmental Subgrant Agreement	\$33,000
4500702123**	A+ Safety Training, LLC	CPR/First Aid Training (ECE PDO)	Intergovernmental	\$47,750
4500702394**	C3K LLP	CPR/First Aid Training (ECE PDO)	Intergovernmental Subgrant Agreement	\$46,500
4500701001** ***	Lackawanna College	Prof Development Services (ECE PDO)	Sole Source	\$44,470
4500701037** ***	Carlow University	Prof Development Services (ECE PDO)	Sole Source	\$871,053
4500701110** ***	First Start Partnerships For Childr	Provides CDA, AA Credit Bearing Courses, Apprenticeship, & Student Support (ECE PDO)	Sole Source	\$289,851
4500701250** ***	Keystone College	Prof Development Services (ECE PDO)	Sole Source	\$570,642
4500701338** ***	The Learning Lamp, Inc.	Prof Development Services (ECE PDO)	Sole Source	\$419,697
4500701508** ***	Pennsylvania Association for the Ed	Provides CDA, AA Credit Bearing Courses, Apprenticeship, & Student Support (ECE PDO)	Sole Source	\$149,808
4500701790** ***	Clearfield Cty League On Social Svc	Prof Development Services (ECE PDO)	Sole Source	\$111,150
4500701936** ***	Trying Together	Provides CDA, AA Credit Bearing Courses, Apprenticeship, & Student Support (ECE PDO)	Sole Source	\$149,740
4500702119** ***	Northwest Institute Of Research	Prof Development Services (ECE PDO)	Sole Source	\$167,340
4500702839** ***	Eastern University	BA Coursework for Credit Bearing Courses & Student Support (ECE PDO)	Sole Source	\$108,350

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\$3,917,933

\*\*Grant Funds  
\*\*\*Sole Source

Shippensburg University  
Shippensburg, Pennsylvania

**CONTRACTS EXCEEDING \$23,200**  
February 1, 2024 to April 12, 2024  
Fiscal Year 2023/2024

<u>Contract Number</u>	<u>Vendor</u>	<u>Purpose</u>	<u>Type of Purchase</u>	<u>Amount</u>
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TOTAL

\$ -

\*\*Grant Funds  
\*\*\*Sole Source



**Shippensburg University  
Council of Trustees Meeting  
May 3, 2024**

**Issue:** Area of Concern on FA1 to be corrected

**Proposed action:** Approval

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**Background information:** During our FA1 review of Head Start, an area of concern was noted regarding staff qualifications. Christine Frey, Head Start Lead Teacher, does not meet the qualifications outlined in the performance standards. Christine has an active CDA and is required to have an associate degree or higher. She is working toward her AA in ECE. She has currently completed 17 credits of 60. An approved teacher waiver will allow her to continue in her current position while working towards an AA and bring the program to compliance. A teacher waiver is good for 3 years.

**Recommendation:** Approve the submission of the teacher waiver.

**Implementation Plan:** Upon Council of Trustees approval, submit teacher waiver to Program Specialist for approval.

**Fiscal Implications:** none

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**Supporting documents:** FA1 Monitoring Report, Staff Qualifications and Development from ECLKC

**Prepared by:** Brittney Watson, Head Start Director

**Facilitator/Presenter:** Brittney Watson



ADMINISTRATION FOR  
**CHILDREN & FAMILIES**

Office of Head Start | 4th Floor – Switzer Memorial Building, 330 C Street SW, Washington DC 20024 [eclkc.ohs.acf.hhs.gov](http://eclkc.ohs.acf.hhs.gov)

## Program Performance Summary Report

**To: Authorizing Official/Board Chairperson**

*Mr. George Pomeroy*

*Shippensburg University of Pennsylvania*

*1871 Old Main Drive*

*Shippensburg University*

*Shippensburg, PA 17257 - 2299*

**From: Responsible HHS Official**

**Date: 05/24/2023**

**Mr. Khari M. Garvin**

**Director, Office of Head Start**

From April 17, 2023 to April 19, 2023, the Administration for Children and Families (ACF) conducted a Focus Area One (FA1) monitoring review of Shippensburg University of Pennsylvania Head Start and Early Head Start programs. This report contains information about the grant recipient's performance and compliance with the requirements of the Head Start Program Performance Standards (HSPPS) or Public Law 110-134, *Improving Head Start for School Readiness Act of 2007*.

The Office of Head Start (OHS) would like to thank your governing body, policy council, parents, and staff for their engagement in the review process. The FA1 review allows the OHS to understand how programs are progressing in providing services in the 5-year grant cycle. This report includes the performance measures used to understand grant recipient progress towards program goals. You can use this report to identify where your program was able to describe progress toward implementing program services that promote quality outcomes for children and families. Please contact your Regional Office for guidance should you have any questions or concerns. Your Regional Office will follow up on the content of this report and can work with you to identify resources to support your program's continuous improvement.

### **DISTRIBUTION OF THE REPORT**

Copies of this report will be distributed to the following:

Mr. Desmond Clayton, Acting Regional Program Manager

Mr. Andrew Alosi, Chief Executive Officer/Executive Director

Ms. Brittney Watson, Head Start Director

Ms. Brittney Watson, Early Head Start Director

### Grant(s) included as part of this review

Grant Recipient Name	Grant Number(s)
Shippensburg University of Pennsylvania	03CH011984

### Glossary of Terms

Finding Type	Definition
<b>Area of Concern (AOC)</b>	An area in which the agency needs to improve performance. These issues should be discussed with the grant recipient's Regional Office of Head Start for possible technical assistance.
<b>Area of Noncompliance (ANC)</b>	An area in which the agency is out of compliance with Federal requirements (including but not limited to the Head Start Act or one or more of the regulations) in one or more areas of performance. This status requires a written timeline for correction and possible technical assistance or guidance from the grant recipient's program specialist. If not corrected within the specified timeline, this status becomes a deficiency.
<b>Deficiency</b>	<p>As defined in the Head Start Act, the term "deficiency" means:</p> <p>(A) a systemic or substantial material failure of an agency in an area of performance that the Secretary determines involves:</p> <ul style="list-style-type: none"> <li>(i) a threat to the health, safety, or civil rights of children or staff;</li> <li>(ii) a denial to parents of the exercise of their full roles and responsibilities related to program operations;</li> <li>(iii) a failure to comply with standards related to early childhood development and health services, family and community partnerships, or program design and management;</li> <li>(iv) the misuse of funds received under this subchapter;</li> <li>(v) loss of legal status (as determined by the Secretary) or financial viability, loss of permits, debarment from receiving Federal grants or contracts, or the improper use of Federal funds; or</li> <li>(vi) failure to meet any other Federal or State requirement that the agency has shown an unwillingness or inability to correct, after notice from the Secretary, within the period specified;</li> </ul> <p>(B) systemic or material failure of the governing body of an agency to fully exercise its legal and fiduciary responsibilities; or</p> <p>(C) an unresolved area of noncompliance.</p>

### Performance Summary

Service Area	Grant Number(s)	Compliance Level	Applicable Standards	Timeframe for Correction
Designing Quality Education and Child Development Program Services	03CH011984	Area of Concern	1302.91(e)(2)(ii)	Follow up with Regional Office for support

#### Program Overview

Shippensburg University of Pennsylvania administers early childhood programs for families throughout rural and urban areas of two counties in the south-central region of the state. The university blends state and Federal funding to offer Head Start, Early Head Start, and pre-kindergarten services. The grant recipient is funded to serve 103 children and expectant women in center- and home-based options.



## Program Design and Management

### **Program Design**

The grant recipient's program design and structure takes into account community strengths and needs.

### **Program Management**

The grant recipient has an approach for providing effective management and oversight of all program areas and fiduciary responsibilities.

### **Program Governance**

The grant recipient maintains a formal structure for program governance that includes a governing body, a policy council (or policy committee for delegates), and parent committees.

## Program Design and Management Summary

The recipient implemented a governance structure that supported program needs. The university's governing body met bimonthly throughout the year. To ensure timely guidance was available to the program between Board meetings, a Head Start advisory committee was established. This committee included the policy council chairperson, a Board representative, and the Head Start director. The members were more available to work with administrative staff to assist with ongoing data analysis and identify program improvement strategies. The establishment of an advisory committee, along with the Board's legal and financial leadership, helped the recipient provide continuous oversight of services.



## Designing Quality Education and Child Development Program Services

### **Alignment with School Readiness**

The grant recipient's approach to school readiness aligns with the expectations of receiving schools, the Head Start Early Learning Outcomes Framework (HSELOF), and state early learning standards.

### **Effective and Intentional Teaching Practices**

The grant recipient has strategies to ensure teaching practices promote progress toward school readiness.

### **Supporting Teachers in Promoting School Readiness**

The grant recipient has an approach for ensuring teachers are prepared to implement the curriculum and support children's progress toward school readiness, but improvement is needed.

### **AOC - 1302.91(e)(2)(ii)**

*Timeframe for Correction:* Follow up with Regional Office for support

#### ***Citation Definition:***

1302.91 Staff qualifications and competency requirements.(e) Child and family services staff. (2) Head Start center-based teacher qualification requirements. (ii) As prescribed in section 648A(a)(3)(B) of the Act, a program must ensure all center-based teachers have at least an associate's or bachelor's degree in child development or early childhood education, equivalent coursework, or otherwise meet the requirements of section 648A(a)(3)(B) of the Act.

#### ***Monitoring Feedback:***

In a discussion, the Head Start director stated that one of three Head Start center-based teachers did not have at least an associate's degree in child development or early childhood education. The teacher was hired in 2018 and had a professional development plan (PDP) outlining a path to achieve an associate's degree in early childhood education by fall 2025. The education manager monitored the teacher's PDP.

### **Home-based Program Services**

The grant recipient has strategies to ensure home-based program services help parents to provide high-quality learning experiences.



## Designing Quality Health Program Services

### Child Health Status and Care

The grant recipient has an approach for ensuring the delivery of high-quality health services.

### Safety Practices

The grant recipient implements a process for monitoring and maintaining healthy and safe environments and ensuring all staff have complete background checks.

## Health Services Summary

Shippensburg University of Pennsylvania supported the emotional well-being of enrolled families and staff. When program data showed an increase in the mental health needs of participants and employees, management responded by expanding available resources. For instance, mental health consultants conducted additional classroom observations and offered feedback and recommendations to teachers. Teachers then worked with the education manager to review this information and develop classroom strategies to address students' needs. Parents and children needing more intensive services also had access to individual and group sessions with therapists. A six-week mental wellness program was also provided for all personnel, with one-on-one services available as needed. This approach fostered the overall wellness of families and staff.



## Designing Quality Family and Community Engagement Services

### Family Well-being

The grant recipient has an approach for collaborating with families to support family well-being.

### Strengthening Parenting and Parent-Child Supports

The grant recipient has an approach for providing services that strengthen parenting skills.

## Family and Community Engagement Services Summary

Shippensburg University of Pennsylvania implemented a relationship-based approach to support participants' well-being. Family development specialists and home visitors completed training and simulations to better assist parents with setting measurable and attainable goals. Team members built relationships with caregivers while reviewing interest surveys and assessments describing their strengths, needs, and aspirations. Using this data, staff members and participants worked together to establish impactful goals. To guide this process, parents created a vision board that expressed their ambitions. The program used a data management system to track families' goal progress, monitor referrals, and identify areas needing additional resources. These practices helped families develop skills to achieve their objectives.





## **Developing Effective Eligibility, Recruitment, Selection, Enrollment, and Attendance (ERSEA) Strategies and Fiscal Infrastructure**

### **Eligibility, Recruitment, Selection, Enrollment, and Attendance**

The grant recipient enrolls children or expectant mothers who are categorically eligible or who meet defined income-eligibility requirements.

### **Enrollment Verification**

The grant recipient maintains and tracks enrollment for all enrolled participants.

### **Fiscal Infrastructure, Capacity, and Responsiveness**

The grant recipient has a budget development and revision process that includes stakeholders and appropriate approvals, and ensures continuous alignment with program design, goals, and objectives.

The grant recipient's fiscal staff have the qualifications needed to provide oversight of the grant.

## **ERSEA and Fiscal Summary**

Shippensburg University of Pennsylvania's ERSEA system supported the enrollment of eligible children. Staff determining eligibility participated in ongoing professional development to ensure compliance with Federal regulations. Training components included calculating income, determining categorical eligibility, and gathering acceptable documentation. These team members also received instructions on using the program's ERSEA flow chart, which outlined each step of the application process. In addition, new employees gained experience by shadowing a mentor to observe the enrollment process and utilize the data management system. The program's training strategies promoted accurate verifications and the enrollment of eligible children and families.

Shippensburg University of Pennsylvania ensured that Federal funds were used to address the needs of enrolled children and families. Fiscal and management team members analyzed financial and self-assessment data to develop a responsive budget that promoted program goals and objectives. This process also included input from the policy council and Board members, who regularly reviewed financial statements to address current issues. For example, a need for increased mental health resources for children, families, and staff was identified. The recipient responded by expanding its contract for mental health consultants, enabling them to provide additional services for enrolled participants and employees. This collaborative process resulted in a budget that was aligned with program priorities.

----- End of Report -----

## Sec. 648A Staff Qualifications and Development

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 [eclkc.ohs.acf.hhs.gov/policy/head-start-act/sec-648a-staff-qualifications-development](https://eclkc.ohs.acf.hhs.gov/policy/head-start-act/sec-648a-staff-qualifications-development)

### Head Start Act

Sec. 648A. [42 U.S.C. 9843a]

#### (a) Classroom Teachers-

(1) PROFESSIONAL REQUIREMENTS- The Secretary shall ensure that each Head Start classroom in a center-based program is assigned 1 teacher who has demonstrated competency to perform functions that include--

(A) planning and implementing learning experiences that advance the intellectual and physical development of children, including improving the readiness of children for school by developing their literacy, phonemic, and print awareness, their understanding and use of language, their understanding and use of increasingly complex and varied vocabulary, their appreciation of books, their understanding of early math and early science, their problem-solving abilities, and their approaches to learning;

(B) establishing and maintaining a safe, healthy learning environment;

(C) supporting the social and emotional development of children; and

(D) encouraging the involvement of the families of the children in a Head Start program and supporting the development of relationships between children and their families.

#### (2) DEGREE REQUIREMENTS-

(A) HEAD START TEACHERS- The Secretary shall ensure that not later than September 30, 2013, at least 50 percent of Head Start teachers nationwide in center-based programs have—

(i) a baccalaureate or advanced degree in early childhood education; or

(ii) a baccalaureate or advanced degree and coursework equivalent to a major relating to early childhood education, with experience teaching preschool-age children.

(B) ADDITIONAL STAFF- The Secretary shall ensure that, not later than September 30, 2013, all--

(i) Head Start education coordinators, including those that serve as curriculum specialists, nationwide in center-based programs--

(I) have the capacity to offer assistance to other teachers in the implementation and adaptation of curricula to the group and individual needs of children in a Head Start classroom; and

(II) have--

(aa) a baccalaureate or advanced degree in early childhood education; or

(bb) a baccalaureate or advanced degree and coursework equivalent to a major relating to early childhood education, with experience teaching preschool-age children; and

(ii) Head Start teaching assistants nationwide in center-based programs have--

(I) at least a child development associate credential;

(II) enrolled in a program leading to an associate or baccalaureate degree; or

(III) enrolled in a child development associate credential program to be completed within 2 years.

(C) PROGRESS-

(i) IMPLEMENTATION- The Secretary shall—

(I) require Head Start agencies to--

(aa) describe continuing progress each year toward achieving the goals described in subparagraphs (A) and (B); and

(bb) annually submit to the Secretary a report indicating the number and percentage of classroom personnel described in subparagraphs (A) and (B) in center-based programs with child development associate credentials or associate, baccalaureate, or advanced degrees;

(II) compile and submit a summary of all program reports described in subclause (I)(bb) to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate; and

(III) not impose any penalties or sanctions on any individual Head Start agency, program, or staff in the monitoring of local agencies and programs under this subchapter not meeting the requirements of subparagraph (A) or (B).

(D) CONSTRUCTION- In this paragraph a reference to a Head Start agency, or its program, services, facility, or personnel, shall not be considered to be a reference to an Early Head Start agency, or its program, services, facility, or personnel.

(3) ALTERNATIVE CREDENTIALING AND DEGREE REQUIREMENTS- The Secretary shall ensure that, for center-based programs, each Head Start classroom that does not have a teacher who meets the qualifications described in clause (i) or (ii) of paragraph (2) (A) is assigned one teacher who has the following during the period specified:

(A) Through September 30, 2011--

(i) a child development associate credential that is appropriate to the age of children being served in center-based programs;

(ii) a State-awarded certificate for preschool teachers that meets or exceeds the requirements for a child development associate credential;

(iii) an associate degree in early childhood education;

(iv) an associate degree in a related field and coursework equivalent to a major relating to early childhood education, with experience teaching preschool-age children; or

(v) a baccalaureate degree and has been admitted into the Teach For America program, passed a rigorous early childhood content exam, such as the Praxis II, participated in a Teach For America summer training institute that includes teaching preschool children, and is receiving ongoing professional development and support from Teach For America's professional staff.

(B) As of October 1, 2011--

(i) an associate degree in early childhood education;

(ii) an associate degree in a related field and coursework equivalent to a major relating to early childhood education, with experience teaching preschool-age children; or

(iii) a baccalaureate degree and has been admitted into the Teach For America program, passed a rigorous early childhood content exam, such as the Praxis II, participated in a Teach For America summer training institute that includes teaching preschool children, and is receiving ongoing professional development and support from Teach For America's professional staff.

(4) WAIVER- On request, the Secretary shall grant—

(A) through September 30, 2011, a 180-day waiver ending on or before September 30, 2011, of the requirements of paragraph (3)(A) for a Head Start agency that can demonstrate that the agency has attempted unsuccessfully to recruit an individual who has the qualifications described in any of clauses (i) through (iv) of paragraph (3) (A) with respect to an individual who--

(i) is enrolled in a program that grants a credential, certificate, or degree described in clauses (i) through (iv) of paragraph (3)(A); and

(ii) will receive such credential, certificate, or degree under the terms of such program not later than 180 days after beginning employment as a teacher with such agency; and

(B) as of October 1, 2011, a 3-year waiver of the requirements of paragraph (3)(B) for a Head Start agency that can demonstrate that--

(i) the agency has attempted unsuccessfully to recruit an individual who has the qualifications described in clause (i) or (ii) of such paragraph, with respect to an individual who is enrolled in a program that grants a degree described in clause (i) or (ii) of such paragraph and will receive such degree in a reasonable time; and

(ii) each Head Start classroom has a teacher who has, at a minimum--

(I) a child development associate credential that is appropriate to the age of children being served in center-based programs; or

(II) a State-awarded certificate for preschool teachers that meets or exceeds the requirements for a child development associate credential.

(5) TEACHER IN-SERVICE REQUIREMENT- Each Head Start teacher shall attend not less than 15 clock hours of professional development per year. Such professional development shall be high-quality, sustained, intensive, and classroom-focused in order to have a positive and lasting impact on classroom instruction and the teacher's performance in the classroom, and regularly evaluated by the program for effectiveness.

(6) SERVICE REQUIREMENTS- The Secretary shall establish requirements to ensure that, in order to enable Head Start agencies to comply with the requirements of paragraph (2)(A), individuals who receive financial assistance under this subchapter to pursue a degree described in paragraph (2)(A) shall--

(A) teach or work in a Head Start program for a minimum of 3 years after receiving the degree; or

(B) repay the total or a prorated amount of the financial assistance received based on the length of service completed after receiving the degree.

(7) USE OF FUNDS- The Secretary shall require that any Federal funds provided directly or indirectly to comply with paragraph (2)(A) shall be used toward degrees awarded by an institution of higher education, as defined by section 101 or 102 of the Higher Education Act of 1965 (20 U.S.C. 1001, 1002).

(b) MENTOR TEACHERS.--

(1) DEFINITION; FUNCTION.--For purposes of this subsection, the term "mentor teacher" means an individual responsible for observing and assessing the classroom activities of a Head Start program and providing on-the-job guidance and training to the Head Start program staff and volunteers, in order to improve the qualifications and training of classroom staff, to maintain high quality education services, and to promote career development, in Head Start programs.

(2) REQUIREMENT.--In order to assist Head Start agencies in establishing positions for mentor teachers, the Secretary shall--

(A) provide technical assistance and training to enable Head Start agencies to establish such positions;

(B) give priority consideration, in providing assistance pursuant to subparagraph (A), to Head Start programs that have substantial numbers of new classroom staff or that are experiencing difficulty in meeting applicable education standards;

(C) encourage Head Start programs to give priority consideration for such positions to Head Start teachers at the appropriate level of career advancement in such programs; and

(D) promote the development of model curricula, designed to ensure the attainment of appropriate competencies of mentor teachers in Head Start programs.

(c) Family Service Workers- To improve the quality and effectiveness of staff providing in-home and other services (including needs assessment, development of service plans, family advocacy, and coordination of service delivery) to families of children participating in Head

Start programs, the Secretary, in coordination with concerned public and private agencies and organizations examining the issues of standards and training for family service workers, shall--

(1) review and, as necessary, revise or develop new qualification standards for Head Start staff providing such services;

(2) review, and as necessary, revise or develop maximum caseload requirements, as suggested by best practices;

(3) promote the development of model curricula (on subjects including parenting training and family literacy) designed to ensure the attainment of appropriate competencies by individuals working or planning to work in the field of early childhood and family services;

(4) promote the establishment of a credential that indicates attainment of the competencies and that is accepted nationwide; and

(5) promote the use of appropriate strategies to meet the needs of special populations (including populations of limited English proficient children).

(d) HEAD START FELLOWSHIPS.--

(1) AUTHORITY.--The Secretary may establish a program of fellowships, to be known as Head Start Fellowships', in accordance with this subsection. The Secretary may award the fellowships to individuals, to be known as Head Start Fellows', who are staff in local Head Start programs or other individuals working in the field of child development and family services.

(2) PURPOSE.--The fellowship program established under this subsection shall be designed to enhance the ability of Head Start Fellows to make significant contributions to programs authorized under this subchapter, by providing opportunities to expand their knowledge and experience through exposure to activities, issues, resources, and new approaches, in the field of child development and family services.

(3) ASSIGNMENTS OF FELLOWS.--

(A) PLACEMENT SITES.--Fellowship positions under the fellowship program may be located (subject to subparagraphs (B) and (C))--

(i) in agencies of the Department of Health and Human Services administering programs authorized under this subchapter (in national or regional offices of such agencies);

(ii) in local Head Start agencies and programs;

(iii) in institutions of higher education;

(iv) in public or private entities and organizations concerned with services to children and families; and

(v) in other appropriate settings.

(B) LIMITATION FOR FELLOWS OTHER THAN HEAD START EMPLOYEES.--A Head Start Fellow who is not an employee of a local Head Start agency or program may be placed only in a fellowship position located in an agency or program specified in clause (i) or (ii) of subparagraph (A).

(C) NO PLACEMENT IN LOBBYING ORGANIZATIONS.--Head Start Fellowship positions may not be located in any agency (including a center) whose primary purpose, or one of whose major purposes, is to influence Federal, State, or local legislation.

(4) SELECTION OF FELLOWS.--Head Start Fellowships shall be awarded on a competitive basis to individuals (other than Federal employees) selected from among applicants who are working, on the date of application, in local Head Start programs or otherwise working in the field of child development and children and family services.

(5) DURATION.--Head Start Fellowships shall be for terms of 1 year, and may be renewed for a term of 1 additional year.

(6) AUTHORIZED EXPENDITURES.--From amounts made available under section [640\(a\)\(2\)\(E\)](#), the Secretary is authorized to make expenditures of not to exceed \$1,000,000 for any fiscal year, for stipends and other reasonable expenses of the fellowship program.

(7) STATUS OF FELLOWS.--Except as otherwise provided in this paragraph, Head Start Fellows shall not be considered to be employees or otherwise in the service or employment of the Federal Government. Head Start Fellows shall be considered to be employees for purposes of compensation for injuries under chapter 81 of title 5, United States Code. Head Start Fellows assigned to positions located in agencies specified in paragraph (3)(A)(i) shall be considered employees in the executive branch of the Federal Government for the purposes of chapter 11 of title 18, United States Code, and for purposes of any administrative standards of conduct applicable to the employees of the agency to which they are assigned.

(8) REGULATIONS.--The Secretary shall promulgate regulations to carry out this subsection.



(e) MODEL STAFFING PLANS.--Not later than 1 year after the date of enactment of this subsection, the Secretary, in consultation with appropriate public agencies, private agencies, and organizations and with individuals with expertise in the field of children and family services, shall develop model staffing plans to provide guidance to local Head Start agencies and programs on the numbers, types, responsibilities, and qualifications of staff required to operate a Head Start program.

(f) Professional Development Plans- Each Head Start agency and program shall create, in consultation with an employee, a professional development plan for all full-time Head Start employees who provide direct services to children and shall ensure that such plans are regularly evaluated for their impact on teacher and staff effectiveness. The agency and the employee shall implement the plan to the extent feasible and practicable.

(g) Staff Recruitment and Selection Procedures- Before a Head Start agency employs an individual, such agency shall--

(1) conduct an interview of such individual;

(2) verify the personal and employment references provided by such individual; and

(3) obtain--

(A) a State, tribal, or Federal criminal record check covering all jurisdictions where the grantee provides Head Start services to children;

(B) a State, tribal, or Federal criminal record check as required by the law of the jurisdiction where the grantee provides Head Start services; or

(C) a criminal record check as otherwise required by Federal law.

Historical Document

Shippensburg University  
Council of Trustees Meeting  
May 3, 2024

**Issue:** Non-federal share amount not met for FY22

**Proposed action:** Approval

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**Background information:** Office of Head Start notified HS Director 4/8/24 of the unmet non-federal share (in-kind donation) for program year 5/1/22-4/30/23. The EHS and HS program is required to match 20% (\$315,701) of our federal funds with in-kind donations. During FY22, our program received \$251,790 in-kind donations leaving \$63,911 unmet. No further donations for FY22 will be reported therefore we must apply for a non-federal share (NFS) waiver.

**Recommendation:** Approve the submission of the NFS application

**Implementation Plan:** Upon Council of Trustees approval, submit the NFS application through HSES.

**Fiscal Implications:**

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**Supporting documents:** Non-Federal Match Narrative and guidance from ECLKC

**Prepared by:** Brittney Watson, Head Start Director

**Facilitator/Presenter:** Brittney Watson

## Non-federal Match Narrative

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 [eclkc.ohs.acf.hhs.gov/fiscal-management/article/non-federal-match-narrative](https://eclkc.ohs.acf.hhs.gov/fiscal-management/article/non-federal-match-narrative)

Non-federal matching information and explanations of fiscal issues such as contributions, disallowances, documentation, in-kind, and volunteer services can be found below. Head Start administrators and non-federal entities may find this information helpful.

### Overview of Requirements

The [Head Start Act](#) stipulates that the federal share of the total costs of the Head Start program will not exceed 80 percent of the total grantee budget unless a waiver has been requested and granted ([Head Start Act Section 640\(b\)](#)). If the grantee agency fails to obtain and document the required 20 percent, or other approved match, a disallowance of federal funds may be taken. Non-federal match must meet the same criteria for allowability as other costs incurred and paid with federal funds.

### Clarifying Definitions

*Allowable Cost:* Third party in-kind contributions shall count toward satisfying a cost-sharing or matching requirement only where, if the party receiving the contribution were to pay for them, they would be an allowable cost. Allowable costs are determined by the tests of reasonableness, necessity and allocability as defined in [45 CFR § Part 75 Subpart E-Cost Principles](#).

*Cash Contributions:* The grantee's cash outlay, which is generated by the non-federal entity or donated by a third party, and is expended to fund allowable program costs. Cash match counts toward the non-federal match requirement when expended, not when donated to or generated by the grantee.

*Disallowance:* A cost determined during an audit, or other review conducted by the funding agency, to be unallowable under the OMB Cost Principles and/or the Terms and Conditions of the grant award that may require subsequent repayment to the Office of Head Start. A cost can be disallowed whether paid for by federal or non-federal sources.

*Documentation:* Written proof that a service has been provided or a donation has been received. Examples include receipts, timecards and invoices or proof of payment.

*In-Kind:* Property or services that benefit a grant-supported project or program and are contributed by non-federal third parties without charge to the grantee. In-kind contributions may consist of the value of real property and equipment and the value of goods and services directly benefiting the grant program and specifically identifiable to it. In-kind match is counted for the period when the services are provided or when the donated goods are received and used.

*Non-Federal Match:* That portion of the total costs of the program provided by the non-federal entity in the form of in-kind donations or cash match received from third parties or contributed by the agency. In-kind contributions must be provided and cash expended during the project period along with federal funds to satisfy the matching requirements.

*Total Costs:* All allowable costs of a program incurred by a grantee including the federal and non-federal match. Total costs do not include those paid by other sources that are not part of the approved budget such as the U.S. Department of Agriculture (USDA). Total costs are net of applicable credits such as refunds and rebates.

*Volunteer:* An individual providing a service that is necessary to the operation of the Head Start program at no cost to a grantee agency.

*Waiver:* A reduction in the required amount of grantee non-federal match that is authorized by a federal official in writing. A waiver is justified if it meets one of five criteria defined in the [Head Start Act Section 640\(b\)\(1\)-\(5\)](#), and outlined below.

## **Narrative**

Non-federal match is a statutory requirement of the [Head Start Act Section 640\(b\)](#)). Administrative requirements are codified in [45 CFR § 75.306](#). As stated in the Act, the grantee agency must provide 20 percent of the total costs of the Head Start program unless a waiver has been granted.

## **Waivers**

There are five criteria for receiving a waiver:

1. Lack of community resources may prevent the Head Start agency from providing all or a portion of the non-federal contribution that may be required
2. Impact of cost the Head Start agency may incur in initial years it carries out such a program
3. Impact of an unanticipated increase in cost the Head Start Agency may incur to carry out such a program
4. Whether the Head Start agency is located in a community adversely affected by a major disaster

5. Impact on the community that would result if the Head Start agency ceased to carry out such a program

To receive a waiver or a reduction in the required non-federal match, the grantee agency must provide the Administration for Children and Families (ACF) Regional Office written documentation of need. This request may be submitted with the grant application or during the budget period if a situation arises that creates a concern that the 20 percent match requirement cannot be met. Approval of the waiver request cannot be assumed by the grantee agency without written notice from the ACF Regional Office. Waivers apply only to one budget period and, if needed, the non-federal entity must apply for a new waiver for any subsequent budget period.

### **Budget**

The grant application must include proposed budgets for the federal and non-federal funds. The Notice of Award (NOA) constitutes approval of both the federal and non-federal budgets as described in the approved applications. The budget should reflect proposed sources of match. For example, the budget may be based upon historical data inclusive of volunteer hours, cash match and other donations.

### **Calculation**

The required 20 percent of the total grantee budget (federal funds plus non-federal match) is the same as 25 percent of the federal funds. An alternative method of calculation is: Federal funds divided by 0.8 ( $0.8 = 1.0 - 0.2$ ) minus the federal match, which equals the non-federal match.

For example, if the match is 20 percent:

Federal funds: \$1,000,000

Non-federal match =  $\$1,000,000 / 0.8 = \$1,250,000$  minus the federal match of  $\$1,000,000 = \$250,000$ , which is the non-federal match.

This could be verified as:

Federal match = \$1,000,000

Non-federal match = \$ 250,000

Total cost =  $\$1,250,000 \times 20\% = \$250,000$

The required non-federal match for a budget period is calculated at the close of the period based upon the federal funds expended.

### **Allowability**

Factors affecting allowability of matching expenditures (whether cash or in-kind) are the same as for federal expenditures in that the costs must be reasonable, allocable, and necessary for the accomplishment of the project objectives and are allowable under the applicable cost principles. ([45 CFR § 75 Subpart E](#)).

The Administration for Children and Families (ACF) enforces matching requirements on a budget period basis for the Head Start programs. Head Start grantees are required to meet matching requirements on a budget year basis. Match cannot be saved or "banked" for a future period. However, if a cash contribution is not expended in the year received, it can be used to meet the matching requirement in future periods when expended on allowable costs.

Match received from federal sources is not allowable unless there is specific statutory language allowing this use of federal funds. There are very few sources which have been determined to be allowable.

The Bureau of Indian Affairs, Indian Self Determination Act (PL 93-638) authorizes the use of funds for matching purposes so long as the identified use is specifically related to the approved grant. An example of this match might include the provision of medical and/or dental services by a tribally-operated health center, if it is operated under the authority of the Self Determination Act. Funds received under the Indian Child Welfare Act can be used to match other federal funds.

Grantee agencies may propose an overmatch (e.g., greater than the required 20 percent required), but must be aware that once proposed and approved, they are required to provide the approved amount of match. Acceptance of proposed overmatch can be determined by a review of the NOA document.

### **Cash Match**

Cash match can consist of state or local funds, or private or corporate donations. It cannot include funds received from any federal source except as defined in specific statutory language. The match is counted when expended, not when received. A grantee may provide matching in the indirect cost category by reducing the allowable charges to the grant per the indirect cost rate as approved in the indirect cost agreement. Grantees must be aware that this allowability is subject to the 15 percent administrative cost limitation.

### **Documentation**

All matching contributions must be verifiable from the grantee's records. This includes the source and application of cash match, services received and donations of supplies and equipment.

The use of volunteer time as match must include the establishment of a wage scale based upon the grantee agency's internal scale or prevailing wages in the area. Salaries and wages used in meeting cost sharing or matching requirements on Federal awards must be supported in the same manner as salaries and wages claimed for reimbursement from Federal awards. Supporting documentation should include:

- Volunteer's name
- The dates, including year, the volunteer provided services
- The duration of time of services the volunteer provided to the program
- The volunteer's supervisor's signature
- The volunteer's signature
- The volunteer activity
- The rate applied to this activity
- Total valuation for the time period

Documentation should be maintained on a regular basis. Programs may choose to use a monthly time sheets for regular volunteers or daily time sheets for occasional volunteers.

Documentation for receipt of supplies and/or equipment should include a copy of a receipt issued to the donor. Information on the receipt should include a description of the item, an estimate of the current fair-market value of the item, the date received and signatures of the donor and the recipient.

Accounting practices vary regarding the summarization and entry of the match into the agency general ledger or books of entry. To ensure internal control, cash match must follow the same cash controls as other agency revenue. For example, cash match might be maintained in the general ledger as a separate subaccount within the Head Start fund. This would provide a means of tracking the cash match and related expenditures. Third party in-kind service or other donations might be tracked on a spreadsheet at the Head Start office and the information given to the fiscal department monthly for entry to the general ledger if required by agency accounting policies and procedures. This could be accomplished by having general ledger accounts for non-federal match revenue and non-federal match expense.

## **Volunteer Services**

Volunteer services are an integral part of the Head Start program. Professional and technical personnel, consultants, and other individuals, such as Head Start parents, may furnish volunteer services. Each hour of volunteered service may be counted if the service is an integral and necessary part of the program. To count the time of a volunteer as match, the volunteer must be providing a service to and not receiving a service from the program. The procedures for valuing volunteer services are found in [45 CFR § 75.306](#).

If a volunteer's time is being paid under another federal grant, it may not be used for match. However, if a volunteer is paid from a grant that is funded by state and/or local and federal sources, (e.g., 60 percent state/local and 40 percent federal), part of the volunteer's time may be used as match. In this example, 60 percent of the costs may be used as match if the state/local funding is not already used as a match for the federal funds. It may be necessary for the agency to contact the volunteer's funding agency to verify the funding status. A volunteer's time may not be counted as match for more than one grant.

Volunteer time valuation should include fringe benefits. For example, if the agency has an estimated 30 percent fringe rate, then 30 percent should be allocated to volunteer time. In this case if a volunteer provides \$100 of volunteer services (e.g., 10 hours at \$10/hour), the total valuation would be \$130 or  $\$100 \times 1.3$ .

For a volunteer's time to be counted as in-kind it must adhere to the following criteria.

- The services provided by the volunteer would have to otherwise be allowable costs that would be purchased from a consultant or other individual or provided by salaried personnel.
- The duties of the individual must be controlled by the agency.
- The value of the service provided by the individual must be measurable and material.
- The value must be based upon the service provided by the individual. For example, a dentist who volunteers time to provide dental services to Head Start children should have time valued according to normal compensation for the service provided. If the dentist chooses to volunteer in a different capacity, such as working in the classroom, his service should be valued according to the agency's current wage scale.

Consultants and other individuals may provide their services to a program at a reduced rate. The difference between this reduced rate and the amount normally charged by the individual may be used as in-kind. The grantee should have a written agreement with the individual that documents the reduction, and documentation should be maintained of the services provided. This may be in the form of an invoice or other grantee developed form.

Time spent by governing bodies such as the Board of Directors, Tribal Councils, and the Policy Council may be used as in-kind for time spent in their decision-making capacity related to the Head Start program. A reasonable valuation should be developed by the program, and applied based upon documentation from the meeting minutes and sign-in sheets. In determining the valuation, the agency or program should bear in mind the nature of the contribution rendered by these individuals. Policy Council time would be considered to be programmatic, however Board or Tribal Council time could be considered an administrative match that is subject to the 15 percent limitation.



The value of donated employee time can be used only in specific circumstances and only when the employee's time is given freely. Donated employee time can be used as in-kind only if the employee is not being compensated through salary, overtime or compensatory time, and if the service and time donated are not in the scope of the employee's paid employment. Consideration should be given to Fair Labor Standards Act requirements as well as agency personnel policies.

Allowability of parent volunteer time is based upon whether the parent is giving a service to the grantee or receiving a service from the grantee. For example, time spent by parents in special programs such as literacy is unallowable because the parent is not providing a service to the program. Time spent by a parent working in the classroom is allowable because a service is being provided to the program.

The time spent by parents on fundraising activities is unallowable as match because fundraising is specifically unallowable under the Office of Management and Budget (OMB) Cost Principles. However, expenditure of the proceeds is allowable when expended for allowable program costs.

### **Donations of Supplies**

As defined in [45 CFR § 75.306](#), the agency should value third-party donations of supplies at the current fair market value of the supplies as determined by the agency using sources such as the guide issued by the IRS. Generally, donations of supplies to be used as gifts, prizes and awards are not allowable. Value of such items can be counted as match only if the program would otherwise have had to purchase the items to implement the program objectives. The Head Start Program Performance Standards (HSPPS) provide the guidance to acceptable program objectives.

### **Donated Equipment**

[45 CFR § 75.306 Equipment](#), donated for use in a Head Start program, is defined as having a fair-market value greater than \$5,000 and a useful life longer than a year. Equipment donated for use in the program must not exceed the fair market value of equipment of the same age and condition at the time of donation. Documentation for the receipt of the equipment must include the description of the equipment and should reference the proposed use in the program and the condition at time of receipt. Donated equipment used as match is subject to equipment regulations found at [45 CFR § 75.439](#).

### **Donated Equipment ([45 CFR § 75.306](#)) Title Passes to the Grantee**

Equipment, donated for use in a Head Start program, is defined as having a fair-market value greater than \$5,000 and a useful life that is longer than one year. Fair-market value at the time of the donation can be counted as in-kind if prior approval is received from ACF. If

approval is not received, only depreciation can be counted as match. Donated equipment used as match is subject to equipment regulations found at [45 CFR § 75.306](#).

### **Donated Land and Buildings ([45 CFR § 75.306](#)) Title Passes to the Grantee**

The value of donated land and buildings shall not exceed its fair market value at the time of donation to the grantee as established by an independent appraiser and certified by a responsible official of the grantee.

**Depreciation** may be computed following any generally accepted method and is to be based on the acquisition cost of the building. The computation will exclude the cost of the land.

### **Donated Space**

Donated space must not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately owned building in the same locality.

### **Valuation and Matching**

Whenever current fair market value of real property is established, the determination of value must be made by an independent real property appraiser certified or licensed in the state in which the property is located ([45 CFR § 75.306\(i\)\(1\)](#), Grants Policy Statement page II-67). The appraiser must be licensed for the type of property appraised, generally commercial real estate. An appraisal more than three years old cannot be used to establish current fair market value of real property.

Fair market rental value is the amount that a grantee would have to pay to rent comparable space in the community. The claimed value of donated space must not exceed the fair market rental value of comparable space as established by an independent appraisal of comparable space in a privately-owned building in the same locality ([45 CFR § 75.306\(i\)\(3\)](#)). For purposes of establishing fair market rental value of donated space from an unrelated party, the required fair market rental value may be established by an appraiser as described above, or by a licensed and independent real estate broker or real estate agent familiar with the rental market in the local community. An appraisal more than three years old cannot be used to establish current fair market rental value of donated space.

If space is donated by a related party, the amount of match the grantee may claim is limited to the amount that could have been claimed had the grantee been the titleholder of the property, generally those amounts described in [45 CFR § 75.436](#).

### **Potential Disallowances**

Failure to meet the non-federal match requirement without an approved waiver can have a severe impact on the grantee agency.

An example of the impact of a disallowance of non-federal match follows:

<b>Funded</b>		<b>Actual</b>	
Federal match:	\$ 800,000	Federal share expended:	\$ 800,000
Required non-federal match:	200,000	Allowable non-federal match:	180,000
Total grant award:	\$ 1,000,000	Actual grant amount:	\$ 980,000

Recalculated maximum federal share:  $\$980,000 \times 80\% = \$784,000$  (80% of Actual grant amount)

Amount of disallowance:  $\$800,000 - \$784,000 = \mathbf{\$16,000}$

The amount of disallowance must be repaid by the grantee agency from agency funds. Federal funds may not be used to repay the disallowance. The shortfall may be the result of a failure to accumulate the match, lack of documentation or incorrect valuation that results in a subsequent disallowance.

### **Audit Requirements**

Under the Single Audit Act, and [45 CFR § Part 75 Subpart F-Audit Requirements](#), auditors are required to assess internal control and compliance. In the area of non-federal match, this includes assessing whether the non-federal entity provided the minimum amount of match required, that match allocated was allowable, and whether the grantee appropriately valued and documented match sources.

To accomplish this, the auditor must:

- Verify that the required matching contributions were met
- Ascertain the sources of matching contributions and perform tests to verify they were from an allowable source
- Test records to verify that the values placed on in-kind contributions (including third-party contributions) are in accordance with [45 CFR § Part 75](#), program regulations and the terms of the award
- Test transactions used to match for compliance with the allowable costs/cost principles requirement

### **Related Links**

[45 CFR § 1303.4](#) Federal financial assistance, non-federal match, and waiver requirements

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[45 CFR § 75.306](#) Cost sharing or matching

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[45 CFR § 75.307 \(e\)\(3\)](#) Program income used to finance non-federal share

### **Related DABs**

- [DAB Decision No. 1603: Telamon Corporation](#)
- [DAB Decision No. 1787: White Mountain Apache Tribe](#)

### **Read more:**

[Non-federal Match](#)  
, [Fiscal Management](#)

*Last Updated: March 7, 2023*