



**Connecticut Administered State-Funded Program
General Policy C-02
School Readiness Grantee Budget Guidance**

- OEC Child Day Care Contractors
- OEC Competitive School Readiness Municipalities
- OEC Priority School Readiness Districts
- OEC State Head Start Supplement
- OEC Smart Start

This GENERAL POLICY has been revised with additional information, guidance and clarification on administrative costs, budget responsibilities and allowable budget line items for all School Readiness grantees and sub-grantees in Priority School Districts.

1. Grantee Level Budget

Under Section 10-16p (9) (g) of the Connecticut General Statutes (C.G.S.), School Readiness grantees are authorized to retain only the following:

- Administrative Costs: Each Council shall designate a person to be responsible for the coordination, program evaluation and administration of the grant and to act as the Liaison between the Town and the Office of Early Childhood. The Grantee shall use at least five percent of the total grant allocation but no more than \$75,000 for such coordination, program evaluation and administration of the grant. This amount may be increased by an amount equal to local funding provided for early childhood education coordination, program evaluation and administration not to exceed \$25,000. Funds received by a town shall not be used to supplant federal, state, or local funding received by the town for early childhood education. Budgets shall include sufficient details relating to the expenditure of administrative funds.

Funding allocated for spaces shall be listed on Line 500 of the Office of Early Childhood Budget Form ED 114 except that when a Grantee also operates a School Readiness program, funds allocated for their program must be spread across applicable budget lines in accordance with program budget codes.

Space funding and administrative funding shall be expended only as allowable under the terms of the grant. .



2. Sub-Grantee Level Budget

- Program Allocation: Sub-grantees shall use their allotted School Readiness funds in the budget line items that support the costs of their School Readiness program. The School Readiness Council (SRC) must consider and approve the proposed budget in relationship to the quality of the program provided as they review and approve applications during the grant review process. Any budget revisions by the sub-grantee should be submitted for approval to the grantee.
- Collaborative/Centralized Services: In some communities SRCs, grantees, or sub-grantees may recommend collaboration in the provision of common services. Grantees may not require that sub-grantees purchase services from the grantee or any specific vendor. Sub-grantees may choose to collaborate with grantee or other sub-grantees to purchase common services such as administration, management, program or professional development and evaluation with direct service dollars. This collaboration must be entered into voluntarily and consensually.
- If it is determined that a grantee will contract for a common service or provide the service themselves and expect payment from sub-grantee(s), then each sub-grantee must make payment to the grantee directly for such services. Grantees may not withhold a portion of a sub-grantee's allocation for payment to itself or to a provider, for common services.
- Requirements for Program Improvement: Grantees may require programs to take corrective action or implement a plan for program improvement as a condition of their grant award or when a program deficiency is identified. Grantees must approve the plan of corrective action but may not require sub-grantees to purchase services from the grantee or to use a prescribed vendor that is contracted and or managed by the grantee.

Adherence to the following shall be established:

- All grant spending and funding and space allocation decisions shall not be considered and approved by the SRC and OEC in writing prior to implementation.
- Sub-grantees shall receive the full space reimbursement that has been established by the OEC for the number of children to be served, unless the sub-grantee is bound by a CHEFA obligation.
- The grantee shall not delay monthly payments to the sub-grantees without justification and OEC approval.
- SRCs shall have a policy delineating the voluntary participation of the sub-grantees in funding the common activities or services managed by the grantee or its agent(s).
- SRCs shall maintain documentation on the voluntary participation of sub-grantees and the process for options for sub-grantees to choose an alternative to meet program requirements that may be imposed by the grantee.
- Grantees cannot require sub-grantees to pay for a prescribed vendor that is under contract or managed by the grantee.



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- Sub-grantees that voluntarily make direct payment to the grantee or to the contractor, vendor, or service provider. Payments may not be subtracted from the sub-grantee's allocation and retained at the grantee-level for payment to itself or to another vendor for common services rendered.
- SRCs shall establish guidelines regarding limits to sub-grantee administrative costs.

It is the responsibility of the SRCs and the Liaisons to share this information with their sub-grantees and ensure that each program is in compliance with the nonsectarian guidelines in order for sub-grantees to receive funding as a School Readiness program.

**For further information concerning this GENERAL POLICY please contact the OEC program manager.
If you're not sure who that is, visit: <https://www.ctoec.org/contact-us/>**