

# Ready by Five Early Childhood Millage

## SERVICE PROVIDER MANUAL

Administered by:

**FIRST STEPS KENT**

Updated: May 20, 2019



Supported by the Kent County Ready by Five Millage

## Introduction

This Policies and Procedures Manual is designed to assist Service Providers who receive funding from the Ready by Five Early Childhood Millage in understanding the regulations, laws, policies, and procedures affecting service provision. It describes required program components and financial requirements that apply to funded services. It also will assist in locating specific information for particular problems or unusual circumstances. Nothing in this Manual is intended to provide legal advice, and the Service Provider is advised to seek its own legal counsel for any such advice.

First Steps Kent reserves the right to amend or revise the Manual from time to time, upon notice to Service Provider. The terms of this Manual may be modified by contract with the Service Provider, and that in the event of conflict between such a contract and this Manual, the terms of the contract will prevail. First Steps Kent reserves the right to waive any requirements prescribed under this Manual on a case by case basis, in FSK's sole discretion.

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# TABLE OF CONTENTS

## **I. GENERAL REQUIREMENTS FOR ALL SERVICE PROVIDERS**

### **A. REQUIRED PROGRAM COMPONENTS**

1.0 PARTICIPANTS	4
2.0 SERVICE PROVIDER RESPONSIBILITIES	10
3.0 APPLICABLE LAWS AND REGULATIONS	22
4.0 CONTRACTS	25
5.0 FIRST STEPS KENT RESPONSIBILITIES	29

### **B. FINANCIAL GUIDELINES**

1.0 FUNDS	31
2.0 BUDGET	33
3.0 FINANCIAL RECORDS	37
4.0 SERVICE PROVIDER FINANCIAL RESPONSIBILITIES	39
5.0 REPORTING REQUIREMENTS	40

### **APPENDIX A**

EQUITY AND INCLUSION IMPACT STATEMENT	42
---------------------------------------	----

### **APPENDIX B**

READY BY FIVE CODE OF ETHICS	43
------------------------------	----

### **APPENDIX C**

THE READY BY FIVE EARLY CHILDHOOD MILLAGE INTAKE AND REFERRAL GUIDE (IN DEVELOPMENT)	47
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### **APPENDIX D**

READY BY FIVE EARLY CHILDHOOD MILLAGE COST SHARING POLICY (IN DEVELOPMENT)	48
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# I. GENERAL REQUIREMENTS FOR ALL SERVICE PROVIDERS

## A. Required Program Components

### 1.0 Participants

#### 1.1 Eligibility

- a. Services shall be provided only to families with children up to age five (5) currently residing in Kent County, Michigan.
- b. Family is defined as the unborn child or child (or children) under the age of five and primary caretaker(s)—a minimum of one being the legal guardian responsible for their care--living in the same home.

#### 1.2 Targeting of Participants

- a. Targeted universalism is an inclusive approach for implementing population-level interventions. It focuses on elevating the disparate experiences of marginalized populations as an essential step in the development of contextually relevant strategies for achieving universal goals. Through this approach, universal goals can be achieved by deploying targeted approaches that address the varying needs and circumstances of each group.
- b. Each Service Provider must be able to specify how they satisfy the service needs of children from economically disadvantaged households and non-English and limited-English speaking households. Each Service Provider must provide culturally responsive, family-centered services in accordance with family need for such services and must meet the specific objectives established by the Ready by Five Early Childhood Needs Assessment and Equity and Inclusion Impact Statement. See Appendix A for the Equity and Inclusion Impact Statement.
- c. Participants shall not be denied or limited services because of their income or financial resources. Where program resources are insufficient to meet the demand for services, each service program shall establish and utilize written procedures for prioritizing individuals receiving and waiting to receive services, based on social, functional and economic needs. (A prioritization tool must be used after approval by FSK).

Individuals on waiting lists for services for which cost sharing is allowable may be afforded the opportunity to acquire services on a 100% cost share basis until they can be served by the funded program.

- d. Indicating factors of when a prioritization tool must be used include:
  1. When a waiting list for services becomes necessary, service levels for current individuals should be evaluated in conjunction with the individual and their caregiver(s), to determine whether services can be reduced without affecting the individual's safety or well-being. Resultant service reductions may enable additional individuals to be served. When a waiting list is in effect, individuals coming on to the program should receive services at the minimum level that addresses their safety and well-being.
  2. Each Service Provider must maintain a written list of persons who seek service but cannot be served at that time. Such a list must include the date service is first sought, the service being sought and the county, or the community if the service area is less than a county, of residence of the person seeking service. The program must determine whether the person seeking service is likely to be eligible for the service requested before being placed on a waiting list. Wait list information must be reported monthly to FSK.

### 1.3 Individual Intake Procedures

- a. Standard written individual intake procedures for all contracted services must be established and maintained. Each Service Provider must develop an intake process, which must, at a minimum, include the standard intake requirements for all individuals served by Ready by Five Early Childhood Millage funded programs. The Ready by Five Early Childhood Millage Intake and Referral Guide (See Appendix C) will be updated annually and provided at the beginning of each fiscal year.
- b. All individuals served must be assured that completion of the full intake process is not a prerequisite for receiving a service if they opt. out of sharing information, and that all information contained in the form will be kept confidential.

#### 1.4 Contributions

- a. All individuals served shall be encouraged to and offered a confidential and voluntary opportunity to contribute toward the costs of providing the service received. No one may be denied service for failing to make a donation.
- b. Cost sharing may be implemented according to the Ready by Five Early Childhood Cost Sharing Policy.
- c. Private pay or locally funded fee-for-service programs must be tracked separate and distinct from millage- funded programs.
- d. Except for program income, no representative from any service program may solicit contributions from program participants, offer for sale any type of merchandise or service, or seek to encourage the acceptance of any particular belief or philosophy by any program participant.
- e. Each program must have in place a written procedure for handling all donations/contributions, upon receipt, which includes at a minimum:
  1. Daily counting and recording of all receipts by two, unrelated individuals.
  2. Provisions for sealing, written acknowledgement, and transporting of receipts to either deposit in a financial institution or secure storage until a deposit can be arranged.
  3. Reconciliation of deposit records and collection records by someone other than the depositor or counter(s).

#### 1.5 Confidentiality

- a. Each service program must have written procedures to protect the confidentiality of information about children and families collected in the conduct of its responsibilities. The procedures must ensure that no information about any recipient of services is disclosed in a form that identifies the person without the informed, written consent from the family served. However, disclosure may be allowed by court order, or for program monitoring by authorized federal, state or local agencies, which are also bound to protect the confidentiality of individual information. All individual information shall be maintained in controlled access files.

- b. It is the responsibility of each Service Provider to determine if they are a covered entity with regard to Health Insurance Portability and Accountability Act (HIPAA) regulations or complete a HIPAA business agreement with FSK. Written consent must be renewed annually.

#### 1.6 Service Quality Review

- a. Each Service Provider must employ a mechanism for obtaining and evaluating the views of service recipients about the quality of services received. The mechanism may include surveys and focus groups, review of assessment records of in-home individuals, etc. Results will be documented and available for review.

#### 1.7 Complaint Resolution and Appeals

- a. Each Service Provider must have a written procedure in place to address complaints from families served, which provides for protection from retaliation against the complainant.
- b. Each program must also have a written appeals procedure for use by recipients with unresolved complaints, individuals determined to be ineligible for services, or by recipients who have services terminated. Individuals denied service and recipients of service who have services terminated, or who have unresolved complaints, must be notified of their right to appeal such decisions and the procedure to be followed for appealing such decisions.
- c. Each program must provide written notification to each family served, at the time service is initiated, of their right to comment about service provision and to appeal termination of services.
- d. Appeal procedures must be available for review by FSK and individuals served. The grievance procedure must be sent to an individual served at the start of service, upon request, and at the time of any negative action, such as reduction or withdrawal of services. Whenever a grievance procedure is started by an individual served, the appropriate FSK Funding Administrator must be notified.

At a minimum, the procedure must include the following:

1. An individual's complaint may be initiated through written or verbal notice to the designated Director of the Service Provider agency. The Director shall then notify the individual in writing of the Service Provider's appeal procedure and notification that unresolved differences between the Service Provider and individual may be forwarded to FSK for investigation and resolution. When resolved, the Director will document the outcome in writing, summarize the events and resolution, secure individual signature, and hold the summary for FSK's review.
2. Unresolved differences between a Service Provider and an individual pertaining to complaints of discrimination or service provision will be forwarded to FSK through the following steps:
  - a. Following the Service Provider's decision, the complaint procedure may be continued through written notice by the individual to the CEO of FSK. The written notice shall be dated and signed by the individual and it shall contain an explanation of the incident or incidents for which the complaint has been filed. The complaint must be initiated within thirty (30) calendar days following the date on which the Service Provider's decision was made. All individual's complaints shall be given fair and prompt consideration by the CEO or designee of FSK within ten (10) calendar days after receipt of the written complaint.
  - b. The individual shall have the right to appeal the CEO or designee of FSK action or inaction to the FSK Executive Committee of the Board of Directors, by submitting written notice to the Chairperson of the FSK Executive Committee within ten (10) calendar days.
  - c. The Chairperson of the FSK Executive Committee will render a decision on the appeal within thirty (30) calendar days after receipt of the written complaint.

## 1.8 Service Termination Procedure

- a. Each program must establish a written service termination procedure that includes formal written notification of the termination of services and documentation in the individual files. The written notification must state the reason for the termination, the effective date, and advise about the right to appeal. Reasons for termination may include, but are not limited to the following:
  1. The family's decision to stop receiving services;
  2. Reassessment that determines a child to be ineligible;
  3. There is no longer a need of services;
  4. A change in the child's or family's circumstances which makes them eligible for services paid for from other sources;
  5. An increase in the availability of support from friends and/or family;
  6. The program becomes unavailable to continue to serve the child and referral to another provider is not possible;
  7. The child turns five (5) year old;
  8. The child moves out of Kent County.

## 2.0 Service Provider Responsibilities

### 2.1 Service Provider Agreements

The Service Provider agrees to:

- a. Attain maximum service delivery capability within thirty (30) days after the effective date of the contract, unless written authorization to the contrary is obtained from FSK.
- b. Serve all eligible persons under the contract regardless of other criteria for services usually applied by the Service Provider and further agrees not to refuse services to any person determined to be eligible for services as specified in 1.1 Eligibility as long as funding permits. Where program resources are insufficient to meet the demand for services, criteria for prioritizing individual's to be served should be developed which take into account indicators of need.
- c. Maintain sufficient staff, facilities, equipment, etc., in order to deliver the agreed upon services and further agrees to notify FSK thirty (30) days before it will be unable to provide the required quality and/or quantity of services.
- d. Identify individual's needs and establish linkage for delivery of needed services.
- e. Seek other funding sources and demonstrate effective planning for progressive program maintenance through its own resources.
- f. Permit designated staff of FSK to attend advisory councils, community groups, and committees created for and specifically relating to the service and will provide FSK with enough notice of meetings of such groups.
- g. Have written procedures for handling family grievances and a statement of individual's rights and assure that individuals receive them when service is initiated.
- h. The Service Provider shall permit FSK and any of their authorized agents access to any books, documents, papers or other records of the Service Provider (or any subcontracts under the contract) which are pertinent to the contract. Access shall also be granted to the facilities being utilized at any reasonable time to observe the operation of the program.
- i. The Service Provider shall retain all books, records, or other documents relevant to the contract for three (3) years after final payment, at Service Provider's cost. If a compliance review is initiated prior to the expiration of the three-year period, and

extends past that period, all documents shall be maintained until the compliance review is closed.

## 2.2 Referral and Coordination Procedures

- a. Each Service Provider shall establish working relationships with other community agencies for referrals and resource coordination to ensure that individuals have maximum possible choice.
- b. Each program shall be able to demonstrate linkages with other area Service Providers, including voluntary organizations, for continuity of services especially in order to address the comprehensive range of needs any recipient may present. Each organization must establish written referral protocol that meets the Ready by Five Early Childhood Millage Intake and Referral Guide requirements. The Ready by Five Early Childhood Millage Intake and Referral Guide will be updated annually and provided at the beginning of each fiscal year.
- c. Potential referring agencies must be given the minimum eligibility criteria utilized by the Service Provider.
- d. The Ready by Five Early Childhood Millage Intake and Referral Guide (See Appendix C) will be updated annually and provided at the beginning of each fiscal year.

## 2.3 Outcomes Measurement

- a. Service Provider agrees to develop written outcomes that reference improvement in the quality of an individual's life. Each program must have outcome statements and measurable indicators that represent achievements of the outcome for their program and the early childhood system as a whole.
- b. All outcome measurements will be established within the contract established with each Service Provider receiving Ready by Five Early Childhood Millage funding.

## 2.4 Data Collection

This policy is in development.

## 2.5 Services Publicized

- a. Each service program must publicize the service(s) in order to facilitate access by all families with children up to age five (5).

Each program must utilize a means of prioritizing services in order to target isolated families with children up to age five (5) in greatest social and economic need.

Services must be publicized to the population the Service Provider plans to reach by utilizing means of publicity most effective in reaching the target population.

- b. Any promotional materials, including films, slides, books, reports (including annual reports), pamphlets, papers, or articles in printed format or per social media (e.g. Facebook and websites) based on activities receiving support under the contract, shall contain acknowledgment of Kent County and FSK either through the use of logos or written description.
- c. FSK and Kent County reserve the option to receive free of charge, up to three copies of any publication published as a part of the contract.
- d. Where activities under the contract result in a book or other copyrighted material, the author is free to obtain a copyright, but FSK reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use all such material.

## 2.6 Mandated Reporting

- a. Each service program shall have a written procedure in place to bring to the attention of appropriate officials for follow-up, condition or circumstances that place the child, or the household of the child, in imminent danger (e.g. situations of abuse or neglect).
- b. Michigan Child Protection Law requires certain professionals to report their suspicions of child abuse or neglect to Children's Protective Services (CPS) at the Department of Human Services (DHS). These people are mandated reporters and have established relationships with children based on their profession.
- c. Mandated reporters are required to make an immediate verbal report to CPS and a written report within 72 hours when they suspect child abuse or neglect. Mandated reporters must also notify the head of their organization of the report. Reporting the

suspected allegations of child abuse and/or neglect to the head of the organization does not fulfill the requirement to report directly to DHS.

- d. The verbal report can be completed by calling 855.444.3911. The individual who had contact with the child must complete the call and provide as much detail as possible about the following information:
1. The child's primary caretaker, including name and address.
  2. Names and birth dates for all members of the household.
  3. Name and birth date of the alleged perpetrator(s).
  4. Whether the alleged perpetrator lives with the child.
  5. Address where the alleged abuse or neglect occurred.
  6. What makes the mandated reporter suspect the child is being abused or neglected?

The Child Protection Law requires that the written report include the following information:

1. Name of child.
2. Description of abuse or neglect.
3. Names and addresses of child's parents/guardians.
4. The persons with whom the child resides.
5. Child's age.
6. Other information available to the reporting person that might establish the cause of the abuse or neglect, and the manner in which the abuse or neglect occurred.

DHS encourages the use of the Report of Actual or Suspected Child Abuse or Neglect (DHS-3200) form when filing the written report, which includes all the information required under the law. If more than one mandated reporter suspects child abuse or neglect based upon the same incident, they may submit just one DHS-3200 form.

View the Mandated Reporters' Resource Guide or [www.michigan.gov](http://www.michigan.gov) for more information.

## 2.7 Insurance Coverage

- a. Each program shall have sufficient insurance to indemnify loss of federal, state and local resources, due to casualty, fraud or employee theft.

The following insurances are required for each program:

1. Worker's compensation
2. Unemployment
3. Property and theft coverage (including employee theft)
4. No-fault vehicle insurance (for agency owned vehicles)
5. General liability and hazard insurance (including facilities coverage)
6. Professional liability (both individual and corporate).

The following insurances are recommended for additional agency protection:

- a. Insurance to protect the program from claims against program drivers and/or passengers.
  - b. Umbrella liability.
  - c. Errors and Omissions Insurance for Board members.
  - d. Special multi-peril.
- b. Minimum coverage limits for each type of service will be defined in each Ready by Five Early Childhood Millage Service Provider contract.
  - c. Service Provider must maintain and provide proof of insurance that will fully protect both the Service Provider and FSK from any and all claims under the Worker's Compensation Act or employer's liability laws and from any and all other claims, of whatsoever kind or nature, for damage to property or for personal injury, including death, made by anyone whomsoever, which may arise from operations carried on under this contract, either by Service Provider, any sub-Service Provider, or by anyone directly or indirectly engaged or employed by either of them. Failure to maintain continual insurance coverage for the term of the contract may be grounds for immediate termination of the contract.
  - d. Any buildings, equipment, supplies and other property purchased in whole or in part with Ready by Five Early Childhood Millage funds are to be covered with sufficient insurance to reimburse the program for the fair market value of the asset at the time of loss.

## 2.8 Hold Harmless

- a. The Service Provider shall indemnify, save, and hold harmless FSK and Kent County against any and all expense and liability of any kind which the Service Provider may sustain, incur, or be required to pay, arising out of the contract. Provided, however, that these provisions shall not apply to liabilities or expenses to the extent caused by or resulting from the willful or negligent acts or omissions of FSK or Kent County or any of its officers or employees. In the event the Service Provider becomes involved in or is threatened with litigation, the Service Provider shall immediately notify FSK who will in turn notify Kent County. FSK may enter into litigation to protect the interests of FSK.
- b. Service Provider shall exonerate, indemnify, and hold harmless FSK from and against all claims and shall assume full responsibility for payment of all Federal, State, and local taxes or contributions imposed or required under unemployment insurance, Social Security, and income tax laws, with respect to the Service Provider and the Service Provider's employees. FSK shall not be held liable for any liabilities, penalties, or forfeitures, or for any damage to the goods, properties, or effects of the Service Provider, or for any other persons whatsoever, nor for personal injury to or death of them, caused by or resulting from any negligent act or omission of the Service Provider.
- c. Service Provider further agrees to indemnify and hold harmless FSK and FSK's directors, officers, agents and employees against and from any and all of the foregoing liabilities, and any and all costs or expense including attorney's fees incurred by FSK on account of any claim, therefore. Service Provider agrees to assume the foregoing obligations and liabilities, by which it is intended by both parties that the Service Provider shall indemnify and hold FSK harmless from all claims arising by reason of the work done or by reason of any act or omission of the Service Provider.
- d. Service Provider shall, throughout the period of this contract, provide public liability and property damage insurance covering all operations of the Service Provider, its agents and employees, including, but not limited to premises and automobiles.
- e. Said policies shall provide thirty (30) calendar days preferably ninety (90) days written notice to FSK of any cancellation or material changes.

## 2.9 Staffing

- a. Each Service Provider shall employ competent and qualified personnel sufficient to provide services pursuant to the contractual agreement. Each program shall be able to demonstrate an organizational structure including established lines of authority.
- b. Each Service Provider must conduct, prior to employment or engagement, a criminal background review through the Michigan State Police for all paid and volunteer staff.
- c. An individual with a record of a felony conviction may be considered for employment at the discretion of the program. The safety and security of families served by the Service Provider must be paramount in such considerations.
- d. Service Provider Staff shall receive a written job description, orientation, training, and at least a yearly written performance evaluation.
- e. Service Provider must require and thoroughly check references on paid staff that will be entering individual homes. Supporting documentation for reference checks must be available in the personnel file of each employee and volunteer.

## 2.10 Staff Identification

- a. Every Service Provider staff person who enters a participant's home must display proper identification, which may be either an agency photo card or a Michigan driver's license and some other form of agency identification.

## 2.11 Orientation and Training

- a. Each Service Provider must have a written orientation plan that is available for review by FSK.
- b. Service Provider staff should participate in relevant professional development, at a minimum of twice each fiscal year. Records that detail dates of training, attendance, and topics covered are to be maintained and made available for review by FSK.

## 2.12 Universal Precautions

- a. Each Service Provider must evaluate the occupational exposure of employees to blood or other potentially hazardous materials that may result from performance of the employee's duties and establish appropriate universal precautions. Each provider with

employees who may experience occupational exposure must develop an exposure control plan which complies with federal regulations implementing the Occupational Safety and Health Act.

#### 2.13 Drug Free Workplace

- a. Each Service Provider must agree to provide drug-free workplaces as a precondition to receiving a federal grant. Each program must operate in compliance with the Drug-Free Workplace Act of 1988.

#### 2.14 Americans with Disabilities Act

- a. Each Service Provider must operate in compliance with the Americans with Disabilities Act.

#### 2.15 Workplace Safety

- a. Each Service Provider must operate in compliance with the Michigan Occupational Safety and Health Act (MIOSHA). Information regarding compliance can be found at [www.michigan.gov](http://www.michigan.gov).

#### 2.16 Program Income

- a. Ready by Five Early Childhood Millage funds may not be applied to supplant other sources of program income or serve as the sole source of funding for a program.
- b. Ready by Five Early Childhood Millage funds must be maximized through the collection of donations from families participating in programs and/or cost-share income (when applicable.)

#### 2.17 Participant Donation Requests

- a. Donations are collected by all service providers receiving Ready by Five Early Childhood Millage funds. Service Providers are required to solicit voluntary donations from families participating in Ready by Five Early Childhood Millage-funded programs of any amount.
- b. All donated funds must be used as “first dollar” toward millage funded services. Program income collected is used to cover service units in the month it is collected. At year end, program income may be used for one-time purchases with approval of FSK staff.

## 2.18 Cost Sharing

- a. Each Service Provider must implement the mandatory FSK cost sharing policy for recipients with income levels above 200% of poverty.
- b. The Ready by Five Early Childhood Millage Cost Sharing Policy (See Appendix D) is updated annually and will be provided at the beginning of each fiscal year.
- c. Service Providers must also ensure that:
  1. Cost sharing assessment, registration forms and other required documentation are completed annually.
  2. Cost sharing is adequately explained to the family when services begin to answer all questions about required payment and to avoid collection problems.
  3. Adjusted Income is verified through income tax returns and/or Social Security statements. Visual verification is required. Confidentiality of income must be maintained.
  4. Assets, savings, or other property owned by the family is included in the calculation of total income for cost sharing purposes.
  5. Cost sharing statements are sent to an individual by the 15th of the month following the previous month of services. Immediate payment will be requested.
  6. Individuals who refuse to voluntarily contribute to the cost of the service are not denied service based on non-contribution.
  7. Cost sharing payments are recorded on the financial report on the month collected and are deducted from that month's reimbursement rate.
  8. If an individual does not agree with the cost sharing payment established, they may seek a review by the Service Provider.
  9. Additional requirements outlined in The Ready by Five Cost Sharing Policy are followed.
- d. Families served who are covered by Medicaid are not required to share in the cost of services. Families that have income of 200% or less of the poverty income guidelines established by the Health and Human Services Administration are not required to cost share for their services.
- e. A Service Provider may submit in writing a request to be waived from the cost sharing requirements. FSK will consider a request if the cost sharing requirement is prohibited

by current source of funding, accreditation, or other authority providing program fidelity administration.

- f. All services exempt from this requirement will be noted in the Ready by Five Early Childhood Cost Sharing agreement.

## 2.20 Disclosure of Information

- a. Service Provider agrees to submit to First Steps Kent all information requested about names of persons with an ownership or control interest in the Agency, any actual or potential conflict of interest, past business transactions, current or pending legal action against the Agency, and certain other disclosing entities.
- b. Upon award of any contract, if non-governmental, Service Provider agrees to submit copies of its Articles of Incorporation and Bylaws prior to signing a contract.
- c. Service Provider agrees to disclose whether any persons with an ownership or controlling interest in the Agency have been convicted of a criminal offense related to their involvement with programs serving families and/or children.
- d. First Steps Kent may refuse to consider the proposal of any Proposing Service Provider Agency that does not comply. Subsequently, First Steps Kent may immediately terminate the contract without liability if the Service Provider does not comply with request.

## 3.0 Applicable Laws and Regulations

### 3.1 Compliance with Applicable Laws and Regulations

The Service Provider must:

- a. Comply with all state, county, and local licensing standards, all applicable accrediting standards, and any other standards or criteria established by Kent County and FSK to ensure quality of services.
- b. Shall observe and comply with all applicable federal, state, and local laws, ordinances, rules and regulations.

- c. Comply with applicable provisions and all subsequent revisions, modifications, and amendments to the Ready by Five Early Childhood Millage funding or regulations that affect the terms of the contract.
- d. Programs must not discriminate against any employee, applicant for employment or recipient of service because of race, color, religion, national origin, age, sex, sexual orientation, height, weight, or marital status.
- e. First Steps Kent encourages and solicits participation of qualified minority and women businesses consistent with the principle of utilizing the most highly qualified and competitive firms.

### 3.3 Open Meetings Act

- a. Service Providers are subject to the provisions of the Open Meetings Act. In accordance with this Act, all public meetings must be open to the public and held in a place convenient to the general public. A meeting is defined as convening of a public body for the purposes of deliberating or making a decision of public policy. The word decision refers to any determination, action, vote, or disposition upon a motion, proposal, etc., on which a vote by the members of the public body is required.

The following are additional rules prescribed in the Act:

1. A public body may not meet informally, in advance of a public meeting, to determine what will be decided formally at the public meeting.
2. Public Notices must state the date, time, and place of the meeting.
3. Public Notices of rescheduled or special meetings must state the date, time, and place of meeting and must be posted at least eighteen (18) hours prior to the meeting.
4. The notice must be posted at the public body's principal office and any other location considered appropriate by the public body.
5. Rules must allow for public participation and attendance.
6. Minutes must be kept of all meetings and contain the date, time, place, members present, members absent, and decisions made at the meeting.
7. Closed sessions may be held when considering purchase or lease of real property, consulting with an attorney regarding trial or settlement strategy considering

dismissal, suspension, or disciplining of a public official, employee, staff, etc. negotiating collective bargaining agreements.

8. Closed meetings must be in accordance with all rules relative to such meetings as indicated in the Act. (For a more detailed listing of rules within the Act, refer to Public Act 267).

### 3.4 Code of Ethics

- a. All Service Providers shall abide by the Ready by Five Early Childhood Millage Code of Ethics found in Appendix B.

### 3.5 Conflict of Interest

- a. No officer, employee, or agency of a Service Provider who is involved in the planning, approval, or implementation of the contract, shall participate in any decision relating to the contract, which affects his or her personal or pecuniary interest or the interest of any corporation, partnership, or association in which he or she may be directly or indirectly involved.

## 4.0 Contracts

- a. FSK can contract with a non-profit corporation (pursuant to P.A. 162 of 1982), or a for-profit corporation (pursuant to P.A. 284 of 1972), or a unit of general-purpose government or agency thereof.
- b. The Service Provider will be required to enter into a written contract with First Steps Kent to provide services as specified in Service Provider's response to the RFP. The contract will include deadlines for delivery of specified data and regular project status reports. The RFP, Service Provider's response to it, and any subsequent correspondence shall become part of the contract and will be incorporated by reference.

### 4.1 Subcontracts

- a. Agrees not to assign the contract or enter into subcontracts without obtaining prior written approval of First Steps Kent. An unsigned copy of the subcontract must be mailed to FSK for approval prior to implementation. Following approval, a copy of the signed contract must be sent to FSK before service begins.
- b. Assignees or subcontractors shall be subject to all conditions and provisions of the contract. No assignment or subcontracting by Service Provider shall relieve or release Proposing Agency from its obligation under its contract with FSK.
- c. The Proposing Agency shall be responsible for the performance of all assignees or subcontractors, however, First Steps Kent shall retain the right to monitor and assess or otherwise determine the performance of subcontractors. The Proposing Agency shall submit copies of subcontracts with non-profit agencies to First Steps Kent, for review, and copies of all contracts with proprietary agencies for review and approval.
- d. Service Providers must annually assess each subcontractor for contract compliance.

### 4.2 Contract Revisions or Amendments

- a. The contract will contain all terms and conditions agreed upon by the FSK and the Service Provider. No other understanding, oral or otherwise, regarding the subject matter of the contract shall be deemed to exist or bind any of the parties hereto.
- b. Whenever there is any material change in the content or administration of an approved contract or in the operation of the agency affecting the contract, the contract document shall be

appropriately revised. The nature and extent of the request for revision will determine the action to be taken by FSK. Revisions may be either a substantive amendment or an administrative revision.

1. A substantive amendment is defined as any alteration in the contract that substantially affects the character of the contract such that it is essentially different from what was originally approved by the FSK. Amendments covering substantive changes shall be subject to the same process of approval that governs the original approval of the contract.

Substantive amendments shall include the following:

- a. Significant changes in the project objectives including projections of individuals or units
- b. Any addition of a new service category or deletion of a service category
- c. A budget transfer from one service to another service
- d. A change in the cost-sharing ratio
- e. A change in the project period and budget year dates
- f. Supplemental awards
- g. Any change that would affect compliance with federal or state procedures
- h. Other changes specified by FSK

2. Administrative revisions are defined as changes in the contract that are made for the purpose of facilitating implementation of the project but are minor in nature and do not change the essence of the contract. Unit rate renegotiations or changes in program income are examples of administrative revisions. Request for an administrative revision must be received at least thirty (30) calendar days in advance of the contract completion date. FSK shall review and respond in writing to administrative revisions within thirty (30) calendar days of a written request.

3. Requests for a contract amendment must be received at least ninety (90) calendar days in advance of the contract completion date. The notification of the amendment supersedes all other notification relating to the budget year. The contract shall only be amended by the written consent of all parties per the terms outlined in the contract.

#### 4.3 Contract Probation

- a. When a Service Provider has failed to comply with the terms of a contract, FSK may place the Service Provider on probation in whole or in part. Probation will commence

upon FSK giving the Service Provider written notice of probation. The notice of probation shall contain reasons for probation, any corrective action required, the effective date, length of probation, and the right of the Service Provider to appeal the decision. During the probationary period, the Service Provider will receive reimbursement for allowable expenses incurred as part of the contract. If, during the probationary time frame, the Service Provider does not comply with the corrective actions, suspension or termination may be initiated.

#### 4.4 Contract Suspension

- a. If the Service Provider materially fails to comply with the terms of the contract, FSK may, upon written notice to the Service Provider, suspend the contract in whole or in part.
- b. The notice of suspension will be issued ten (10) calendar days prior to the effective date of suspension and will state the reasons for the suspension, any corrective action required of the Service Provider, the effective date and the right of the Service Provider to appeal the decision. Suspensions shall remain in effect until the Service Provider has taken corrective action satisfactory to FSK or given evidence satisfactory to FSK that such corrective action will be taken, or until FSK terminates the contract. Under extreme conditions (danger to individuals served or improper use of funds), immediate notice of suspension may be given.
- c. In suspending contract operations, FSK shall determine the anticipated length of suspension and the extent of operations suspended.
- d. New obligations incurred by the Service Provider during the suspension period will not be allowed unless FSK expressly authorizes them in the notice of suspension or an amendment to it. Necessary and otherwise allowable costs which the Service Provider could not reasonably avoid during the suspension period will be allowed if they result from obligations properly incurred by the Service Provider before the effective date of the suspension and not in anticipation of suspension or termination.
- e. Support for any part shall automatically be terminated when it has been suspended for more than ninety (90) calendar days.

- f. FSK may reinstate the suspended contract operations if it determines conditions warrant such action. Such reinstatement shall be made by issuance of a new statement of award.
- g. FSK financial participation in reinstated contract operations may resume immediately upon reinstatement, but not for any costs incurred for these contract operations while they were suspended.

#### 4.5 Contract Termination

- a. If, through any cause, the Service Provider shall fail to fulfill its obligation in a timely or if the Service Provider shall violate any of the covenants, agreements, or stipulations of their contract, FSK shall thereupon have the right to terminate contracts with Service Providers.
- b. FSK reserves the right to immediately terminate or reduce a contract in place with a Service Provider, bypassing a contract probation or suspension period.
- c. Notification of termination will be issued by written notice and sent by certified United States mail to the Service Provider of such termination including the effective date of termination and a procedure procedures to be followed for appeal.
- d. Causes of termination shall include, but not be limited to:
  - 1. Lack of availability of funds;
  - 2. The Service Provider violates conditions, under which the contract was approved;
  - 3. Program performance is inadequate as documented through monitoring visits;
  - 4. Other resources were unavailable;
  - 5. Response to assessment findings is inadequate for two (2) semi-annual assessments;
  - 6. Violation of the Ready by Five Early Childhood Millage Code of Ethics;
  - 7. Suspension for more than three (3) consecutive months, and
- 8. Extreme conditions including gross negligence in service delivery, misappropriation of funds, etc.
- e. The Service Provider shall not be relieved of liability to FSK for damages sustained by FSK by virtue of any breach of the contract by the Service Provider. FSK may withhold

any payments to Service Provider for the purpose of setoff until such time as the exact amount of damages due FSK from Service Provider is determined.

- f. If the contract is terminated as provided herein, the Service Provider shall be entitled to receive just and equitable compensation for any satisfactory work completed. Upon termination of this contract, the Service Provider shall return to FSK, upon demand, any unencumbered funds and any equipment or personal property purchased with funds provided under this contract. Any equipment, supplies or personal property purchased with contract funds must be disposed of. Any funds realized from the sale of such equipment, supplies or personal property must be returned to FSK or will be an adjustment to the projected costs.
- g. If, any cause, alteration or changes take place in the rules, regulations, laws, or policies to which FSK is subject, or if there is any termination or reduction in the allocation or allotment of funds provided to FSK for the purposes of this contract, FSK shall have the right to immediately terminate or reduce the contract in place with a Service Provider. Such termination or reduction in the amount to be paid shall take effect immediately upon receipt of written notice to Service Provider, unless a different effective date is specified in the notice.
- h. When financial support of a contract terminates on completion of the approved contract period or earlier, the Service Provider shall complete and submit a final project and financial report to FSK by the date established by FSK pursuant to the contract.
- i. Service Provider must cooperate with FSK staff and any new Service Provider selected by FSK to continue the terminated service. This refers to transfer of individual records, service plans and other pertinent information needed to provide a smooth seamless service transfer.

#### 4.6 Service Provider Appeals Procedure

- a. The following decisions may be appealed:
  - 1. Applicants for funding from the FSK may appeal an FSK Board of Directors decision to deny a proposal for funding.
  - 2. Service Providers may appeal an FSK Board of Directors decision regarding probation, suspension, or termination of contract.

- b. Unresolved differences pertaining to the above will be forwarded through the following process. All appeal proceedings shall be conducted within an aggregate time frame of sixty (60) calendar days, within which all of the following shall occur:
1. Within seven (7) calendar days of Board action, FSK shall provide written notice to the affected party, of action to place on probation, suspend, terminate, not renew, or deny a contract, including a notice that information and/or criteria on which the decision was based shall be available for review and that to be considered for an appeal, the affected party must file a request for an appeal within ten (10) calendar days of the receipt of the written notification of FSK action.
  2. The request for an appeal must be signed by the Service Provider's legal Chairperson or Chief Executive. The written notice from FSK shall include a statement that the affected party may appeal in person or may designate a representative to appeal the FSK decision.
  3. The chairperson of the FSK Board of Directors or their designee must respond to the request for an appeal, and set the time and place for the hearing, and send written notice of the hearing to the affected party, within thirty (30) calendar days of receiving the request for a hearing. The Chairperson of the FSK Board of Directors or their designee will preside at the hearing. The Chairperson of the FSK Board of Directors may change the time and place of a hearing if ten (ten) calendar days written notice is given to the parties involved.
  4. At the discretion of the Chairperson of the FSK Board of Directors, FSK may secure records, books of accounts, and other pertinent information from the affected party. A record of the hearing shall be maintained.
  5. Testimony may be given orally but not under oath. The Chairperson of the FSK Board of Directors can require written testimony.
  6. The decision on an appeal will be rendered in writing within ten (10) calendar days after the hearing by the Chairperson of the FSK Board of Directors.
  7. The affected party shall be sent a written notice with the hearing decision that the decision may be appealed within ten (10) calendar days of receipt of the notice.
  8. If appealed, FSK's Board of Directors may decide how to proceed from the following two (2) options:

- i. Proceed with binding arbitration in accordance with the provisions of the American Arbitration Association or a similar recognized professional arbitration association. The decision of the arbiter is binding and is not appealable to FSK. The arbiter shall determine the distribution of costs between parties.
    - ii. Request the appeal process advance by the Kent County Board of Commissioners and County Staff to determine a final answer.
  - c. A request for an appeal hearing may be refused by the Chairperson of the FSK Board of Directors for the following reasons:
    - 1. Appellant's failure to comply with the appeals procedures and time frames as outlined above
    - 2. Failure to show standing
    - 3. Appellant's requesting an appeal for actions by FSK other than those listed in Section a.

#### 4.7 Disputes

- a. The Service Provider shall notify FSK in writing of its intent to pursue a claim against FSK for breach of any terms of the contract. No suit may be commenced by the Service Provider for breach of the contract prior to the expiration of sixty (60) calendar days from the date of such notification. Within this sixty (60) calendar day period, the Service Provider, at the request of FSK, must meet with the President & CEO of FSK for the purpose of attempting resolution of the dispute.
- b. In an occurrence resolution cannot be determined, the Service Provider and FSK may pursue binding arbitration in accordance with the provisions of the American Arbitration Association or a similar recognized professional arbitration association. The decision of the arbiter is binding and is not appealable to FSK. The arbiter shall determine the distribution of costs between parties.

## 5.0 First Steps Kent (FSK) Responsibilities

FSK shall be responsible for development, coordination, implementation and administration of the millage services delivery system(s) for millage-funded programs serving persons up to age five and expectant parents.

### 5.1 Contract and Financial Administration

- a. First Steps Kent will assure service provider quality through annual monitoring including the tracking of performance goals and standards, outcomes, and reporting. FSK will conduct one program assessment and one fiscal assessment of Service Provider's performance each fiscal year. A subsequent assessment is not required but may be conducted for any Service Provider found to be out of compliance with these Policies and Procedures. A second assessment is not required in follow-up to recommendations made by the FSK.
- b. FSK will develop an assessment schedule by December 1 of the fiscal year.
- c. The Ready by Five Early Childhood Millage assessment tool used by FSK and approved by Kent County will address compliance with:
  1. Contract specifications
  2. Approved service definitions
  3. Generally accepted and required accounting principles
  4. Quality of service
  5. Pertinent State and Federal statutes
  6. Policies and standards adopted by FSK
  7. Progress on resolving corrective actions required by prior assessments
  8. Data sharing and reporting requirements
- d. FSK will provide each Service Provider written feedback outlining findings of each assessment, any corrective action, and recommendations within 60 calendar days after the completion of the assessment. In cases where corrective action is needed, FSK shall:
  1. Determine due dates by which Service Providers must be in compliance.
  2. Approve a corrective action plan, which must be developed and submitted by Service Provider to FSK detailing the dates the program must be in compliance.
  3. Monitor the Service Provider's performance in accomplishing the necessary corrective action.
  4. Indicate perceived technical assistance needs and identification of resources available from FSK and other sources for use in developing a plan to address those needs.
- e. If due dates extend beyond the contract period, completion of the corrective action will be made a condition of any further contracts with the Service Provider.
- f. The Service Provider must respond in writing to FSK in order to acknowledge the intent to resolve compliance items. A response to recommendations for improving operations need not be required.

## 5.2 Technical Assistance

- a. FSK is available and willing to provide technical assistance to Service Providers who request such assistance. Technical assistance may also be provided by FSK when FSK determines that the Service Provider needs assistance in a particular area. Examples of technical assistance include, but are not limited to:
  1. Assistance with financial or program reporting;
  2. Improving quality of service delivery;
  3. Assistance in complying with FSK assessment recommendations;
  4. Assistance in meeting the objectives of the contract

To request assistance, the Service Provider may contact the appropriate FSK staff. FSK will provide the assistance at a time and place convenient to the Service Provider and will continue to provide the particular assistance until both the Service Provider and FSK are satisfied the subject in question has been resolved. In certain circumstances, FSK may find it necessary to refer the Service Provider to a third party for specialized assistance. In such cases, the Service Provider will be responsible for all costs incurred, unless otherwise stated in a written agreement with FSK. Finally, during the contract year, FSK may survey Service Providers to determine appropriate region-wide subject areas for technical assistance that may be provided to groups in a training format at various locations within the region.

## 5.3 Waiver Requests

- a. A Service Provider may request a waiver of the requirements listed in this Policies and Procedures Manual by submitting a written request to FSK stating the reasons for the waiver. FSK will review the waiver request, and if it is within its jurisdiction, FSK will either approve or deny the waiver request based on whether it believes the waiver will enable the Service Provider to more effectively carry out its functions and responsibilities. FSK will respond in writing to the request within sixty (60) calendar days of receipt of the request.

# I. GENERAL REQUIREMENTS FOR ALL SERVICE PROVIDERS

## B. Financial Guidelines

### 1.0 Funds

#### 1.1 Approval/Disapproval of Awards

- a. The approval/disapproval of primary FSK funding awards by FSK will be accomplished through the following steps:
  1. Proposals for FSK funding will be reviewed by the FSK Resident Proposal Review Board (RPRB).
  2. Recommendations for approval/disapproval of awards developed by the RPRB are then forwarded to the Executive Committee of the FSK Board of Directors for their review and development of recommendations to the full FSK Board of Directors.
  3. Recommendations from the Executive Committee are then forwarded to the full Board of Directors for their review and final approval/disapproval. The Board of Directors has authority to modify or place special conditions on any proposal for funding as deemed necessary to carry out the intent of federal or state laws or regulations.
  4. Within seven (7) working days of Board of Directors action, FSK shall provide written notice, to the affected party, to accept or deny a proposal for funding. Included in a notification to deny a proposal will be a statement indicating the affected party's right to appeal the Board of Directors' decision.
- b. The Resident Proposal Review Board will include nine (9) members, comprised of four (4) parents of children aged 0-5 years old from different geographic areas of the county, two (2) County Commissioners, one (1) early childhood expert, one (1) FSK Early Childhood Commissioner, and one (1) County Senior Staff will make recommendations. The committee shall be inclusive, with people of different ethnicities, races, religions, sexual identities, and/or genders.

Resident Proposal Review Board members will be selected as follows:

1. The two (2) County Commissioners serving on the board will be appointed by the Board Chair of the Kent County Board of Commissioners.
2. The one (1) County Senior Staff will be selected by the Kent County Administrator's Office.
3. The remaining positions will be recruited and selected by FSK. FSK will assure membership is representative of the different regions of Kent County (i.e. urban, rural) and is inclusive, with people of different ethnicities, races, religions, sexual identities, and/or genders.

## 1.2 Method of Payment

- a. Unit Rate Reimbursement - services will be reimbursed on a unit rate basis up to the total amount of the funds awarded. All unit rates will be fixed for the term of the contract unless modified by mutual consent of the parties. Service Providers will be required to submit reports detailing units served depending on the service provided. Reports will be due per the Fiscal Year Calendar of deadlines, which will be provided at the beginning of each fiscal year. Forms and instructions for reporting are provided at the beginning of each fiscal year and are subject to change during the year. Late or incomplete/incorrect reports may result in a delay of payment.
- b. One-Time Grants - Service Providers will be required to submit reports detailing expenses for approved One-Time Grants. Forms, instructions, and reports are provided at the beginning of each fiscal year and are subject to change during the year. Reimbursement will be made for actual documented expenses approved in the budget.

## 2.0 Budget

### 2.1 Program Donations

- a. Program donations may be made by service recipients/individuals or their family members for service received. All service recipients/individuals and/or family should be given the opportunity to contribute towards the cost of their service. Program income is a free will donation.
- b. Program donations must be used for allowable costs under the program through which it was generated to increase or expand the services offered.
- c. All program donations received must be utilized first to expand the existing service in the month it is collected.
- d. The Service Provider agrees to maintain accounting procedures and practices which will account for program donations on a cumulative basis and report it as it is received. (When costs incurred by the Service Provider are paid for with program donations, the Service Provider's financial records and reports submitted to FSK must accurately reflect the expenditure of such funds.) Program donations may not be used as local matching funds and must be applied to the service category from which it was derived.

### 2.2 Purchasing Requirements

- a. The Request for Proposal issued by FSK for each service will specify if the purchase of real property and equipment is an allowable expense. All purchases, transfers, replacements, or dispositions of real property, equipment, made by Service Providers must conform to the provisions below:
  1. The Service Provider must maintain records enough to detail the significant history of a purchase. This should include, but not be limited to rationale for the method of purchase, Service Provider selection or rejections, and the basis for price.

2. Affirmative steps should be taken to assure that small, minority, and women's businesses be utilized when possible as a source of supplies, equipment, and construction.
3. The Service Provider is responsible for the settlement of all contractual and administrative issues arising from procurement.
4. The Service Provider must maintain a written standard of conduct, which shall govern the performance of their officers, employees, or agents. Service Provider's officers, employees, or agents shall neither accept nor solicit gratuities, favors, or anything of monetary value from potential sources of purchase.

### 2.3 Withholding of Funds

- a. The Service Provider is responsible for fulfilling its obligations as stated in this Policies and Procedure Manual and contract. Failure to meet these obligations in a timely and accurate manner will result in withholding funds until such obligations are met.

### 2.4 Reprogramming and Redistribution

- a. A Service Provider shall be considered for reprogramming when spending is ten percent (10%) below the funding level or (10%) ten percent underserved at midyear of the contract.
- b. If at the end of the first six (6) months of a budget year, a Service Provider is found to be under serving or under spent by ten percent (10%) or more, the Service Provider may be required to provide an explanation and a plan to catch up. If the Service Provider is unable to develop a reasonable and sound mechanism for spending the under spent funds, these funds can be captured by FSK for redistribution to another service provider.
- c. If at the end of the first nine (9) months of a budget year, a Service Provider is found to be under serving or under spending by ten percent (10%) or more; the Service Provider is required to provide an explanation and a plan to catch up. If the Service Provider is unable to develop a reasonable and sound mechanism for spending the under spent funds, these funds can be captured by FSK for redistribution to another Service Provider.
- d. When funds have been determined eligible for reprogramming or redistribution, FSK staff shall attempt to verify the rate of under spending/under serving. After verifying the rate of under spending/under serving, FSK can determine that funds should be

captured; however, final decision rests with the FSK Board of Directors. If funds are to be captured, the following procedure will be followed:

1. The Service Provider must be notified in writing at least ten (10) calendar days prior to the FSK Board of Directors meeting, at which time the capture issue will be considered.
2. If the Service Provider disagrees with the need for capture, written explanation of that disagreement must be received by FSK at least two (2) working days prior to the Board of Directors meeting.
3. Reasons for and against capture in each case will then be presented to the Board of Directors concurrently. Decisions of the Board of Directors relative to capture are final.
4. Funds which are not spent as a result of contract termination will automatically be captured.

2.5 Procedures for Redistribution of Captured Funds

- a. Requirements for agencies wishing to be considered for captured funds are delineated below in accordance with the nature of the applicant:

<b>Application Type</b>	<b>Application Requirements</b>
1. Current Service Providers desire additional funds for currently funded services.	<ol style="list-style-type: none"> <li>a. Narrative explaining why added funds are needed and how added funds will be used.</li> <li>b. A budget for the additional funds.</li> <li>c. Confirmation of added Local Match.</li> </ol>
2. Current Service Providers desire funds for a new service.	Submission of an abbreviated application provided by FSK.
3. New Service Providers	Submission of a complete proposal.

- b. It should be noted that the request for additional funds will be considered carefully in view of their implications for total service capacity in future years. That is, FSK shall not begin or expand services beyond the level that can be realistically maintained for the following year.

c. Finally, ongoing communication between FSK and the Service Provider is crucial to effectively implement the Reprogramming and Redistribution Policy. FSK staff will contact Service Providers if inconsistencies show in the monthly/quarterly reports or if over or under spending/serving is apparent. Service Providers should alert FSK staff under the following circumstances:

1. If problems are experienced in the management of funds, including bookkeeping and reporting.
2. If under spending or under serving is occurring and the Service Provider wishes to spend the money in another manner for the same service.
3. If the Service Provider requires more funds for a service and wishes to be considered a candidate for the redistributed funds acquired by FSK through the capture process.

## 3.0 Financial Records

### 3.1 Equipment Inventory

- a. The Request for Proposal issues by FSK for each service will specify if the purchase of equipment is an allowable expense. For accounting purposes, FSK requires accounting for and inventory of all non-expendable property costing \$1000 or more per unit. For each item of equipment with an acquisition cost of \$1000 or more per unit or, for nutrition items with a life expectancy of one year or more regardless of acquisition cost the inventory records shall include:
  1. A description of the equipment including manufacturer's model number
  2. An identification number, such as manufacturer's serial number
  3. Identification of the contract under which the recipient acquired the equipment
  4. Information needed to calculate the FSK (Federal/State) share of the equipment
  5. Acquisition date and unit acquisition cost
  6. Location, use, and condition of the equipment and the date the information was reported
  7. All pertinent information on the ultimate transfer, replacement, or disposition of the equipment
- b. An annual physical inventory of equipment shall be taken, and the results reconciled with the property records to verify the existence, current utilization, and continued need for the equipment. Any difference between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the differences.
- c. With the acquisition or disposal of any piece of property, the purchaser must notify his or her insurer. A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the equipment. In the event of fire, theft, or other loss, the purchaser must notify FSK immediately after notifying the appropriate local officials.
- d. All components of a "fabricated" piece of property must be inventoried. An example of this type of fabrication may be several microphones, a sound mixer, and a tape recorder, comprising a hearing recording system. Each component must be inventoried separately, though each component may cost less than \$1000.

- e. Adequate maintenance procedures shall be implemented to keep the equipment in good condition.
- f. For insurance purposes, the contract shall maintain a list of all non- expendable items. Non-expendable property items may include desks, tables, chairs, computers, calculators, etc. All other property should be considered "expendable." Expendable property items may include pencil sharpeners, tape dispensers, paper trays, desk lamps, etc.

### 3.2 Maintenance of Records

- a. The Service Provider agrees to record and maintain data about individuals, per contract requirements. Required data elements will be provided at the beginning of each fiscal year and is subject to change.
- b. The Service Provider agrees to maintain books, records, documents, and other evidence of accounting procedures and practices which sufficiently and properly reflect generally accepted accounting practices.
- c. The Service Provider agrees to collect statistical data of a fiscal nature on a regular basis and to make fiscal statistical reports at times prescribed by, and in a form acceptable to FSK.
- d. The Service Provider must ensure current and accurate reporting of the financial status of the contract. Adequate identification of the source and use of funds, effective accountability for property, provision for comparison of actual with budgeted amounts by service category, and provision of unit cost information are required.

### 3.3 Retention of Records

- a. The Service Provider is required to retain all financial and programmatic records, supporting documents, statistical records and other records required by Federal and State government agencies or otherwise reasonably considered pertinent to the contract.
- b. All non-financial records shall be retained for a period of three (3) years. The retention period starts on the day the Service Provider submits to FSK its last expenditure report for the contract.

- c. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three (3) year period, the records shall be retained until completion of the action and resolution of all issues, which arise from it, or until the end of the regular three (3) year period, whichever is later.
- d. The retention period for equipment records starts from the date of the equipment's disposition, replacement or transfer at the direction of FSK.

## 4.0 Service Provider Financial Responsibilities

### 4.1 Closeout

- a. When the contract is concluded or terminated, the Service Provider shall provide FSK within sixty (60) calendar days (unless otherwise notified) after conclusion or termination, with all financial, performance and other reports required as a condition of the contract. FSK shall make payments to the Service Provider for allowable reimbursable costs not covered by previous payments. The Service Provider shall immediately refund to FSK any payments or funds advanced to the Service Provider in excess of allowable reimbursable expenditures.

### 4.2 Carry-Over Policy

- a. The Service Provider shall expend any and all payments solely for the purposes specified in the contract and refund FSK any un-obligated amounts in accordance with the Reprogramming and Redistribution Policy or within sixty (60) calendar days of termination or completion of the contract.
- b. FSK may offset against any amounts due under the contract which are determined by FSK to have been disallowed cost or un-obligated program funds under any previous or current contracts with FSK.

### 4.3 Audits

- a. All non-profit organizations with annual revenue over \$525,000 are required to complete a financial audit. Organizations receiving between \$275,000 and \$525,000 must have a financial examination performed at least every two years.
- b. Audits shall usually be performed annually but not less frequently than every two years.

- c. It shall be the responsibility of the Service Provider to contract with a Certified Public Accountant (CPA) firm or individual to conduct an examination of the records and statements and a determination of their fairness and accuracy.
  - d. The audit shall be performed in accordance with generally accepted auditing standards including the standards of the U.S. General Accounting Office's publication "Standards for Audit of Governmental Organizational Programs, Activities, and Functions."
  - e. The purpose of the audit shall be to determine the effectiveness of the financial management systems and internal procedures established by the Service Provider to meet the terms of the contract.
  - f. Nothing in this section is intended to limit the right of FSK or Kent County to conduct an audit of contract operations.
  - g. The Service Provider shall follow a systematic method to assure timely and appropriate resolution of audit findings and recommendations.
  - h. A copy of the audit report, and a description of its resolution, shall be furnished to FSK within thirty (30) calendar days of receiving the final audit report from the auditor.

#### 4.4 Liability for Damages and Disallowed Costs

- a. Notwithstanding any term or condition of the contract to the contrary, the Service Provider shall not be relieved of liability to FSK for damages sustained by FSK by virtue of any breach of the contract by the Service Provider, or any disallowed cost and FSK shall have the right to demand of the Service Provider, within a period of time specified by FSK, the return of any contract funds used for such disallowed costs. The Service Provider agrees to comply with such demand.

#### 5.0 Reporting Requirements

- a. Fiscal reports will be required depending upon services contracted. Reports will be due per the Fiscal Year Calendar of Deadlines, which will be provided at the beginning of each fiscal year. Forms and instructions will be provided to Service Providers at the beginning of each fiscal year, which will be updated as changes occur.
- b. Reports may only be signed by persons designated on the Authorization for Signature form on file.

- c. Late reports or incomplete/incorrect reports may result in a delay in the payment of funds. Failure to submit reports over an extended period may result in contract probation.

## Appendix A: Equity and Inclusion Impact Statement

*First Steps Kent is committed to advancing equity and inclusion so that all children grow up healthy, safe, and strong.*

First Steps Kent aspires to be an innovative and courageous leader supporting a community where all children and families are healthy, safe, and strong. Investing in an early childhood system that helps all children and families thrive will lead to a community in which everyone can fully participate and contribute. Our leadership involves not only promoting policies and practices that address equity, but also working to dismantle structural and institutional racism and inequity that harms our community's children.

We recognize that equity is not the same as equality. The path to equity requires that the community provide more support and resources to the families in our community that are challenged by compounding inequities based on their race and ethnicity – health, education, housing, economic opportunities, among others – that put them at a disadvantage and limit their ability to reach their full potential. FSK recognizes that we have an important role to play in this process. Our goal is that race and ethnicity are no longer predictors of life outcomes.

We commit to ensuring equity in terms of race, ethnicity, sexual orientation, gender, age, ability, and other protected categories of individuals, is embedded in our structure, policies, strategic planning, and advocacy efforts.

Promoting equity is critical to truly making a difference in the lives of those we serve. To that end, we make a conscious and explicit effort to:

- Ensure our work focuses on the elimination of disparities in child outcomes;
- Educate ourselves and others to improve understanding of explicit bias and the historical context of inequities, which is vital to recognizing and dismantling barriers to improved outcomes;
- Critically examine FSK policies and practices using a racial equity lens and work to ensure that both their intent and impact will promote fairness and equity;
- Model as an organization the changes we want to see implemented throughout our community and advocate for the elimination of institutional and structural racism in systems we influence; and
- Serve our community's children through active engagement of their families, listening to their needs, understanding their strengths, and advocating for needed policies, programs, and supports.



### Community Vision:

Every young child in Kent County will enter kindergarten healthy and ready to succeed in school and life.

For that to happen, our community must have the policies, programs, and supports so that:

- Babies are born healthy
- Children are healthy, thriving, and developmentally on track
- Children are ready to learn when they start school

Families should be supported and empowered by an early childhood system that builds on their strengths

## Appendix B: Ready by Five Code of Ethics

### READY BY FIVE CODE OF ETHICS

#### I. GENERAL INFORMATION

- a. The purpose of this Code of Ethics is to outline ethical principles that will set standards for the First Steps Kent (FSK) Board of Directors, the Resident Proposal Review Board, FSK staff and individuals, groups, and agencies who work in a paid or volunteer capacity serving families with children up to age five (5).
- b. In order to assure that services to families with children up to age five (5) are conducted effectively, objectively, and without improper influence, all persons involved must maintain the highest level of integrity. Also, they must not do indirectly that which is improper to do directly. All persons involved must avoid conflicts of their private interests with public duties and responsibilities. Failure to observe any of these standards is cause for disciplinary action.

#### II. RESPONSIBILITIES OF SERVICE PROVIDER

- a. Each Organization funded by the Ready by Five Early Childhood Millage shall be responsible for observing the rules of conduct set forth in this code and shall acquaint themselves with the rules that relate to their ethical and other conduct as a Service Provider with the Ready by Five Early Childhood Millage.
- b. If, through any cause, a violation of the Code of Ethics occurs, any organization funded with Ready by Five Early Childhood Millage funding is subject to contract suspension, probation and/or termination.

#### III. CONFIDENTIAL INFORMATION

- a. Organizations funded with Ready by Five Early Childhood Millage funding shall not, directly or indirectly, make use of or permit others to make use of, for the purpose of furthering a private interest, official information not made available to the general public. For example, names of recipients shall not be made available to the public. Such use of official information is clearly a violation of public trust. In addition, information in possession of the network and not generally available may not be used for private gain.
- b. Organizations funded with Ready by Five Early Childhood Millage funding may not use their official position or confidential information acquired in the course of their official duties to further their personal interest or to secure privileges or exemptions for themselves or others.

IV. MANDATORY REPORTING OF ABUSE, NEGLECT, AND EXPLOITATION

- a. Each service program shall have a written procedure in place to bring to the attention of appropriate officials for follow-up, condition or circumstances that place the child, or the household of the child, in imminent danger (e.g. situations of abuse or neglect).

V. GIFTS, ENTERTAINMENT, FAVORS, GRATUITIES AND EXPENSES

- a. Organizations funded with Ready by Five Early Childhood Millage funding shall have a gift acceptance policy that requires review of any non-standard contributions.
- b. All gifts must be recognized as supporting the mission: to create a coordinated, integrated system of early childhood services that supports all families in Kent County.

VI. HOLDING OFFICE IN PROFESSIONAL SOCIETIES

- a. Employees of organizations funded with Ready by Five Early Childhood Millage funding may be members of professional societies and be elevated or appointed to office in such a society. Persons involved with the Ready by Five Early Childhood Millage shall avoid conflict of interest in connection with such membership.

VII. FINANCIAL INTEREST

- a. Persons involved with the Ready by Five Early Childhood Millage shall not have a direct or indirect financial interest that conflicts with their official duties and responsibilities.

VIII. PROCUREMENT STANDARDS

- a. Organizations funded with Ready by Five Early Childhood Millage funding shall maintain a code or established standards of conduct that shall govern the performance of its officers, employees, or agents engaged in the awarding and administration of contracts for the procurement of supplies, equipment, construction, and services whose cost is borne by Ready by Five Early Childhood Millage funding.
- b. Officers, employees or agents of a service provider receiving Ready by Five Early Childhood funding shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or potential contractors. This is not intended to include bonfire institutional fundraising activities.

- c. All individuals who are employees, officers or agents of a Ready by Five Early Childhood Millage funded organization shall at all times disclose to First Steps Kent (and First Steps Kent will disclose to Kent County) any potential conflict in the selection, award or administration of a contract where, to their knowledge, any of the following has a financial interest in that contract:
  - i. The employee, officer or agent;
  - ii. Any member of their immediate family;
  - iii. Their partner;
  - iv. An organization in which any of the above is an officer, director or employee;
  - v. A person or organization with whom any of the above individuals is negotiating or has any arrangement concerning perspective employment.
  
- d. Any member serving on the Resident Proposal Review Board and FSK Early Childhood Commission must disclose other potential conflict of interest and abstain from discussing a motion, making a recommendation and voting whenever their personal or agency's interest is involved.

IX. CONDUCT ON THE JOB

- a. All employees serving in positions funded by Ready by Five Early Childhood Millage funds must demonstrate concern and appreciation of the heritage, values and wisdom of families with children up to age five (5) providing assistance, assuring the dignity and individual rights of families with children up to age five (5) served. Courtesy, consideration, and promptness in dealing with other agencies, individuals served, and organizations must be shown in carrying out official responsibilities.

X. NON-DISCRIMINATION

- a. Neither persons involved with the Ready by Five Early Childhood Millage nor individuals served shall be discriminated against because of race, color, religion, national origin, sex, age, or on the basis of physical handicap.

XI. WHISTLEBLOWER

- a. Organizations funded with Ready by Five Early Childhood Millage funds are required to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Organizations are expected to have procedures in place that ensure all employees funded with Ready by Five Early Childhood Millage funding have the ability to report suspected violations of the Ready by Five Early Childhood Millage policies or illegal activities within their respective organization.
  
- b. It is contrary to the values of the Ready by Five Early Childhood Millage for anyone to retaliate against any board member, officer, employee, volunteer, or individual who in

good faith reports an ethics violation, or a suspected violation of law, such as a complaint of discrimination, or suspected fraud, or suspected violation of any regulation governing the operations of the Ready by Five Early Childhood Millage. Anyone who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

- c. Anyone filing a written complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

## Appendix C: The Ready by Five Early Childhood Millage Intake and Referral Guide

This The Ready by Five Early Childhood Millage Intake and Referral Guide is in development.

## Appendix D: Ready by Five Early Childhood Millage Cost Sharing Policy

The Ready by Five Early Childhood Millage Cost Sharing Policy is in development.