



ANNOUNCEMENT: S-05 #07
CHILD DEVELOPMENT OFFICE
Bureau of Subsidized Child Care Services

ISSUE DATE: June 28, 2005
EFFECTIVE DATE: July 1, 2005

SUBJECT: Budget Revision Guidelines for State Fiscal Year 2005-2006
TO: Office of Child Development CCIS Grantees
FROM: Harriet Dichter Deputy Secretary, Office of Child Development

Harriet Dichter

PURPOSE:

To clarify DPW grant language regarding budget revisions and to issue clarification guidelines for Fiscal Year 2005-2006.

BACKGROUND:

The OCD implemented new grant language for Fiscal Year 2005-06 that allows grantees to reallocate Family Support Service dollars within budget categories. The grant language specifically states the following “*The Grantee must submit a budget revision to and receive approval from the Department to move funds across budget categories in Riders 3A and 3B, ...*.” Therefore, the intent of the language is to allow grantees to shift funds between budget line items within a budget category. A budget category is defined as a major category that consists of individual budget lines and amounts. The Family Support Service budget includes three budget categories: Personnel, Operations, and Fixed Assets.

DISCUSSION:

We now realize that additional clarification is needed to assure fiscal diligence and proper handling of DPW dollars. The OCD will continue to allow grantees the flexibility to reallocate budget line items within a budget category. However, there will be the following restrictions to this policy:

- **GENERAL**
 - Prior written approval for a budget line item increase is not required as long as the cumulative adjustment to date is not more than +/- 10% of the original budgeted amount and the change is concurrently documented in the CCMIS Family Support Services Budget subsystem. The original budgeted amount is defined as the amount submitted on the Grant Agreement document.
 - At any time during the fiscal year, where the Grantee attains the +/- 10% limit for a budget line item, all subsequent increases for that line item must be submitted for prior approval.

- In order to obtain prior written approval, the Grantee must submit a budget revision along with a letter of justification to the appropriate OCD representative. The grantee may not move the funds until approval is obtained.
- Prior written approval is needed to add a new budget line item not specified on the original budget or an approved budget revision.
- PERSONNEL
 - The grantee may not increase any salary line item without prior written approval.
 - The grantee may not expand staff compliment or increase full or part-time equivalencies without prior written approval.
- OPERATIONS
 - The grantee may not increase the occupancy budget line without prior written approval.
 - The grantee may not increase a budget line item to purchase computers, laptops, printers, or copiers without prior written approval.
 - The grantee may not increase a budget line item for carnal improvements or renovations without prior written approval.

The Department will have the right to disapprove any expenditure made by a Grantee that is not in accordance with these guidelines. Budget revisions are still required to purchase fixed assets with additional funds received throughout the Grant period, to move funds from the Family Support Services portion of Riders 3A and 3B to the service portion of same rider and when the total grant amount is adjusted.

For all budget revisions requiring approval, please forward the budget revision signed by an authorized staff person and a letter of justification to your Regional Coordinator. The Grantee should allow two weeks for OCD to review and make a decision on complete budget revision requests.

NEXT STEPS:

All OCD Grantees are to implement the attached Guidelines beginning July 1, 2005. All questions regarding this announcement should be directed to Kelly Hoffman at kelhoffman@state.pa.us.