



HOOTMAIL

A NEWSLETTER FOR THE EARLYLEARN NYC COMMUNITY

ATTACHMENTS



JANUARY 2014

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HOOOTMAIL

A NEWSLETTER FOR THE EARLYLEARN NYC COMMUNITY



JANUARY 2014

FIRST THINGS FIRST...

Some of you may know Mayor Bill de Blasio has appointed Gladys Carrión to serve as the new ACS Commissioner. We look forward to introducing her to you in our next issue. "Happy New Year to all!"

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IMPORTANT DATES

12/20	Deadline for Contractor Data Request (survey, board members, org charts)
1/14	NYC Disabilities Symposium
1/15	City Wide Directors Meeting



SOME REMINDERS...

EARLYLEARN NYC CONTRACT AUDIT GUIDELINES FY13 The audit for the fiscal period October 1, 2012 through June 30, 2013 will be due on Wednesday, April 30, 2014. Please see Hoot Attachments.

EARLYLEARN NYC CONTRACTOR SURVEYS EarlyLearn agencies were asked to submit a contractor survey, sponsoring board member listing and staff organization chart by Friday, December 20. Many thanks to all the agencies who have already submitted their documents - particularly to East Harlem Council for Human Services, Inc. for being the first to submit. We will be reviewing the items and adding new emails to our communications on a rolling basis. We will also be sharing the board member listings with our contracting office. (Please ensure you are providing personal contact info for at least the board chair if you would like ACS to be able to contact your board directly.)

If you have any questions about this request, please contact :

Barbara Alicea Barbara.Alicea@dfa.state.ny.us or

Alyson Grant Alyson.Grant@dfa.state.ny.us

LOOK OUT FOR...



JANUARY CITY WIDE DIRECTORS MEETING .The January Citywide Directors Meeting will take place on Wednesday, January 15th at the ACS Children's Center. The morning session will be 9:15am-12:30pm and the afternoon session will be 1:15pm-4:30pm. This meeting will focus on *Self Assessment 2014* and many other essential issues. To register now ,click [here](#).



FACILITIES CORNER Unfortunately, fire alarms often don't give much warning before they need repair or replacement. See the Hoot Attachments for tips on how to ensure that children and staff in your center are safe at all times.



INFO FOR THE ENTIRE EARLYLEARN COMMUNITY

EARLYLEARN MARKETING MATERIALS

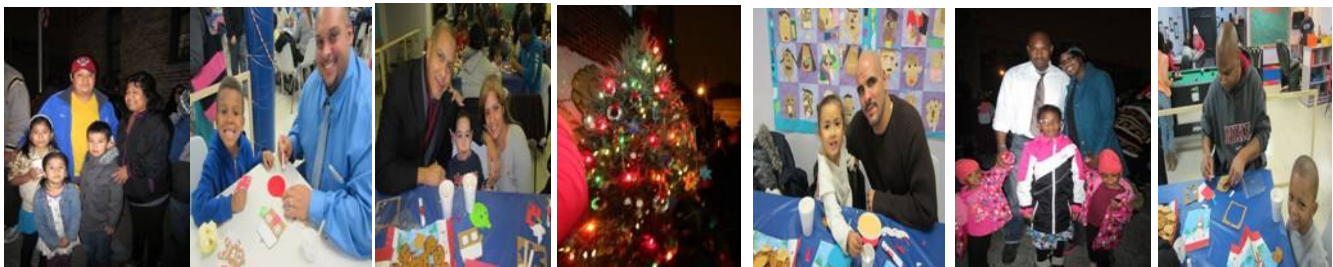
We hope that you are enjoying and using your EarlyLearn NYC marketing materials to recruit families. Marketing materials are available to all EarlyLearn sites. If your site has not received your marketing materials, we ask that you please check with your central office or contact [Tovah Gottesman](#).



"Show Your Pride!"

SHOW YOUR PRIDE!

We really don't get tired of seeing pictures of your EarlyLearn Programs. Here are some beautiful pictures of their Holiday Events sent to us from the Belmont Community Day Care in the Bronx. Well done, folk! Keep 'em coming!



GOT PICTURES??

Have you taken part in events in your community that support the work we do in EarlyLearn NYC? Send some pics in! Let the whole city enjoy what you are doing!

Click here to send them directly to [Barbara Alicea](#) for entry into the next Hootmail.

EDUCATION & DISABILITIES NEWS

UNLIMITED ARCHIVING WITH TEACHING STRATEGIES GOLD!

Teaching Strategies has extended free, UNLIMITED archiving to EarlyLearn programs. This is great news! This means that you will no longer have to delete old child records each year to make way for new ones. They will all be kept in the system. Your licenses will be automatically updated to reflect this added capability.

TRANSITION TO KINDERGARTEN

Advocates for Children has updated two key resources regarding the transition to kindergarten. Children born in 2009 are eligible to enter kindergarten in September 2014, and there are steps that families should start doing now to prepare for this important milestone. Share the transition information in the Hoot Attachments with your families!

EARLY CHILDHOOD DIRECTION CENTERS (ECDC)

ECDCs are funded by the New York State Education Department and provide free, confidential information and referral for families and professionals to services for young children with suspected or diagnosed developmental delays or disabilities. In New York City, there is an ECDC in each borough. Children of families referred to the ECDC should reside in the borough and be between birth and five years of age. See the ECDC Fact Sheet in the Hoot Attachments for more information.

RESOURCES FOR CHILDREN WITH SPECIAL NEEDS (RCSN)

RCSN is New York City's only independent nonprofit organization that works for families and children with all disabilities, across all boroughs, to understand, navigate, and access the services needed to ensure that all children and youth have the opportunity to develop their full potential. For more info, click [here](#) or call 212.677.4660

FREE BOOKS!

New York State Office of Children & Family Services (OCFS) has free books for children in child welfare, juvenile justice, early child care or other programs serving disadvantaged children. Complete the request form in the Hoot Attachments and return it to [Leekeesha Waterton, leekeesha.waterton@ocfs.ny.gov](mailto:leekeesha.waterton@ocfs.ny.gov). Books are available while supplies last - if your request can be filled, Leekeesha will coordinate a pick-up date with you.

EDUCATOR INSPIRATION

Educators: Are you up for a little bit of inspiration as we approach the end of the year? It is important from time to time to stop and take account of all that you have done to serve your children. And part of that break can include taking in an inspirational story or movie. We thought we would share one today. [Click here to watch this inspirational 3 minute video clip](#), narrated by Alan Watts. Enjoy!

STEVEN & ALEXANDRA COHEN CHILDREN'S MEDICAL CENTER OF NEW YORK AT L.I.J. MEDICAL CENTER

The Division of Developmental and Behavioral Pediatrics at Steven and Alexandra Cohen Children's Medical Center offers diagnostic and treatment services for neurodevelopmental and behavioral disorders for children from birth through adolescence. For more info, click [here](#).

NYC DISABILITIES SYMPOSIUM!

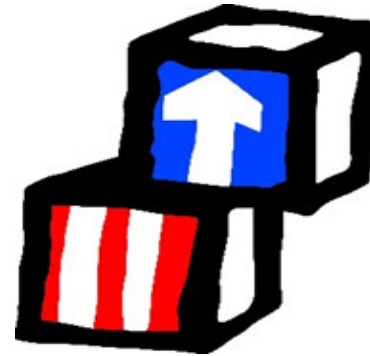
Please join us on January 14 from 8:30am – 1:00 for Expanding Opportunities in Head Start and Early Childhood Programs: Cross-Systems Collaboration to Support the Inclusion of Preschool Children with Disabilities. Topics at this free symposium include: Serving Children with Disabilities in Head Start: Past, Present and Future Goals and Implementing Head Start Performance Standards, Implementation of Education Law and Regulations: Federal (IDEA), New York State and New York City Regulations and more. Please see the Hoot Attachments for a flyer on the Disabilities Symposium and register [here](#).



HEAD START NEWS

HEAD START RESEARCH CONFERENCE

The Head Start National Research Conference is back this year! In its 12th year, the theme is Collaboration and Coordination: Understanding Systems Supporting Young Children and Their Families. It will be from July 7–9, 2014 at the Grand Hyatt Hotel in Washington, D.C. Register [here](#).



REGION II HEAD START CONFERENCE

The 10th Annual Region II Head Start Association Professional Development Conference will be from January 7th-10th, 2014 at the Borgata Hotel in Atlantic City, New Jersey. The theme this year is "Parents, Family, Community: Excellence For Our Children." See the THREE attached flyers for more info!

FAMILY & COMMUNITY ENGAGEMENT

GREETINGS FROM SESAME STREET

Sesame Street has launched a new initiative call "[Little Children, Big Challenges](#)." The initiative offers resources for parents, caregivers and educators to help young children from 2 to 5 years old build resiliency on a daily basis. Topics range from confidence and independence to aggressive behavior and sibling rivalry. Materials are available online in [English](#) and [Spanish](#).



ENGAGING FAMILIES & SUPPORTING YOUNG CHILDREN

The ECAC has just made available an online training video on Engaging Families and Supporting Young Children presented by Dr. Mary McKay, Professor and Director of the McSilver Institute for Poverty Policy & Research at New York University. The purpose of this online training is to support staff at all levels to develop and enhance skills that maximize family engagement and partnership across a range of provider organizations and settings serving young children and their families. There is a flyer in the Hoot Attachments. [The webinar and toolkit are online.](#)

TIPS FOR TOY SAFETY!

For more information, call 311 and ask for the Healthy Homes/Lead Poisoning Prevention Program.



Interested in learning more about the impact of health care reform on diverse communities?

February 28, 2014 at the Silberman School of Social Work at Hunter College.

The topic at hand is : Behavioral Health Care Reform and Culturally Competent Care: A Closer Look.

Registration is required. For more info, please see flyer in Hoot Attachments (more info will be available in January). Inquiries regarding this event can be e-mailed to oca@health.nyc.gov

NYC Project LAUNCH is featured in an article published in the Winter 2014 issue of Behavioral Health News called *Early Childhood Social-Emotional Development: Building Healthy Foundations For A Lifetime of Success* by Lily Tom, DSW, Assistant Commissioner to the Bureau of Children, Youth and Families at the NYC Department of Health and Mental Hygiene. The article highlights the importance of early investment in children's well-being and the valuable work NYC Project LAUNCH is doing to promote young children's social and emotional development. Click [here](#) for more info or see the Hoot Attachments.



PROFESSIONAL DEVELOPMENT



CDA TRAINING AT BANK STREET COLLEGE

Registration is open for Bank Street's CDA Program! Enhance your career. Obtain a Child Development Associate Credential. This credit bearing Child Development Associate (CDA) Credential offered by Bank Street College is part of a national effort to forge a framework for high quality early childhood education and to create a community of learners. The program prepares students to strengthen knowledge and understanding of child development, early childhood curriculum and family engagement through a multidisciplinary approach. If you have any staff who need to renew their CDA, CEUs are available through their professional development courses. See flyer in the Hoot Attachments for more info.

OBESITY TRAINING FOR CHILD CARE PROVIDERS!

Childhood obesity can cause a variety of health problems. An important way to promote a healthy weight for children is giving them lots of ways to be physically active. Presented by the Office of Head Start National Center on Health, One Step at a Time: Helping Young Children Be Physically Active is a curriculum that can help. For more information, click [here](#).

BRAZELTON TOUCHPOINTS TRAINING

Bank Street College offers a two-day professional development opportunity designed to prepare early childhood professionals to incorporate the Brazelton Touchpoints approach into their work with parents and families. Financial aid may be available through the New York State Child Care Educational Incentive Program (EIP). To learn about the financial aid options, click [here](#).

For more information about the training, please contact Katie Masson at 212.961.3368.

USING YOUR ONLINE ASSESSMENT TOOL

Did you know that our Online Child Assessment Tool vendors also provide orientation and training on how to use their products? If you haven't seen these resources before, please take some time to check them out.

- * Teaching Strategies GOLD: click [here](#)
- * HighScope COR: click [here](#)
- * Pearson Work Sampling: click [here](#)





RESOURCES

COMMUNICATION SKILLS TRAINING

"More Than Baby Talk: 10 Ways to Promote the Language and Communication Skills of Infants and Toddlers", is a brief guide that describes ten practices that early childhood teachers can use to foster language and communication skills among infants and toddlers. The guidelines are based upon the latest research findings on optimal adult-child interactions for promoting strong language and communication skills among young children. This promising resource was developed at the Frank Porter Graham Child Development Institute at the University of North Carolina at Chapel Hill. For more info, click [here](#).

PARTNERS IN EARLY LEARNING

We heard a wonderful presentation at the last Citywide Director's Meeting from CUNY PDI. If you are interested in obtaining free copies of the ***Partners In Early Learning: A Letter to Parents and Teachers*** pamphlet for your staff and families, please fill out the form in the Hoot Attachments.

ACS & ACELERO LEARNING WORKING TOGETHER TO CLOSE THE ACHIEVEMENT GAP

In our day-to-day operations here at ACS, we're relentlessly focused on a principle fundamental to EarlyLearn/Head Start: to do all in our power to "close the achievement gap." We want all children, no matter their environment, to have the academic and emotional tools to succeed. For the last two years, the Robin Hood Foundation has provided ACS with funding to build a strong collaborative partnership with Acelero Learning and work with a select group of our programs to do exactly that: help them implement best-in-class resources based on years of research and experience. If you're interested in learning more, see attached and click [here](#) to contact Jesse.

CHILDREN'S EDUCATION AT THE NY BOTANICAL GARDEN

NYBG Children's Ed offers a strong variety of educational opportunities for pre-K children, including their Pea Pod Explorers Program, beginning again on February 4. Please see the flyer in the Hoot Attachment, call 718.817.8181 or email childed@nybg.org.

RESEARCH

THE NEW YORK STATE EARLY CHILDHOOD ADVISORY COUNCIL (ECAC)

(ECAC was formed in 2009,) to provide counsel to the Governor on issues related to young children and their families. The new ECAC website is now live. Click [here](#) to view. The website provides the most up-to-date information on ECAC and contains links to recent webinars, training materials and resources.



TECH CORNER

We all love and care for our environment, and we always consider the environment before printing. We know that when we send the Hootmail attachments in PDF, it's all in one file and you may want to print out the whole thing or just specific pages. To take a crash course on printing pages from a PDF file, please see the Hoot Attachments.



NOSOTROS

RESOURCES IN SPANISH/ NOTICIAS EN ESPAÑOL PARA LA COMUNIDAD DE EARLYLEARN.

La alfabetización no sólo se aprende en la escuela sino también en todas partes. Los estudiantes pueden aprender acerca de la alfabetización leyendo las señales del tren y las cajas de cereales como también oyendo historias familiares en sus idiomas maternos y navegando la red Internet.

Como padres, pueden influir de forma importante en la alfabetización de su hijo— apoyándolo y ayudándolo a llegar a ser pensadores críticos y usuarios analíticos de la información.

Para mayor información y para aprender como apoyar el aprendizaje de su niño, diríjese al recurso: Abriendo la puerta al aprendizaje, por el Departamento de Educación de NYC: http://schools.nycenet.edu/offices/teachlearn/sls/Literacy_Guide_2008-2009_Spanish.pdf

SHARING IS CARING

We know how much you appreciate all the wealth of information and resources that comes with the Hootmail that you want to keep it all to yourself! But in the spirit of the holiday season "Sharing is Caring." Please forward the Hootmail to your staff and anyone interested as well!





SEASON'S GREETINGS

Because of you, the season of giving lasts all year long.

Together, through our shared commitment and resolve, we've ensured that New York City's young children and families have positive learning experiences. Thank you!

ACS would like to extend our warmest wishes of happiness and joy to all of our EarlyLearn programs and their loved ones during this holiday season. We look forward to partnering with you for even greater successes in 2014!





Ronald E. Richter
Commissioner

Susan Nuccio
Deputy Commissioner/
Chief Financial Officer
Financial Services


Jose Mercado
Assistant Commissioner
Budget, Claiming & Revenue
Financial Services

150 William Street
10th Floor
New York, NY 10038

MEMORANDUM

DATE: December 18, 2013

TO: Board of Directors and Executive Directors,
EarlyLearn NYC Providers

FROM: Jose Mercado 

SUBJECT: EarlyLearn NYC Contract Audit Guidelines, Fiscal Year 2013
EL Numbered Memorandum #10

Attached please find the final Administration for Children's Services - Division of Financial Services EarlyLearn NYC Contract Audit Guidelines for Fiscal Year 2013. These guidelines provide the rules required for an audit of the ACS EarlyLearn contract providers' financial statements covering the fiscal period of October 1, 2012 through June 30, 2013.

As part of your contractual agreement with ACS, an annual audit of the EarlyLearn program must be made by an independent auditor to determine whether the organization is complying with the terms and conditions of the EarlyLearn contract, has effective internal controls, is following the proper accounting and financial policies, and financial statements are being reported in accordance with Nonprofit Generally Accepted Accounting Principles.

It is ACS' expectation that EarlyLearn programs will thoroughly prepare and submit audits in accordance with the attached guidelines.

Provider Organization Audit Responsibilities

The EarlyLearn Contract Audit Guideline is organized into three (3) sections:

- Part I: Provider Organization Audit Responsibilities
- Part II: Audit Requirements
- Part III: Relevant Attachments, Exhibits and Schedules

Provider Organization Audit Responsibilities

An audit of the EarlyLearn program must be made by a firm that is independent, licensed to practice in New York State, and listed on the New York City Comptroller's "Pre-Qualified CPA List." Additionally, contract providers are responsible for review and acceptance of the audit report prior to submission to ACS, refer to Part I for additional guidelines.

Please be advised that EarlyLearn providers must notify their ACS budget analyst by Friday, February 7, 2014 of the selected audit firm by sending one signed copy of an Engagement Letter (Exhibit I), and one signed copy of Audit Firm's Profile (Exhibit II), both on the CPA firm's letterhead.

Audit Requirements

All EarlyLearn contracts funded by ACS are required to submit an audit that follows the enclosed guidelines that covers the accounting period of October 1, 2012 through June 30, 2013. Any organization that has multiple funding sources or receives more than \$500,000 in federal funds is required to add the audit requirements of the OMB Circular A-133 as a separate report, within ACS's audit report. ACS will not accept any A-133 audit from any contractor who wants to substitute it for the requirements set forth in this guideline.

The audit will be performed in accordance with the American Institute of Certified Public Accountants' (AICPA), Nonprofit Generally Accepted Accounting Principles (GAAP), Generally Accepted Auditing Standards (GAAS), U.S. Government Auditing Standards (GAO) / Yellow Book and the EarlyLearn Contract and ACS's EarlyLearn Fiscal Manual.

The audit will be divided into five sections:

1. Financial Audit/Audited Financial Statements, including the auditor's opinion on the ACS schedules, and, where applicable, the OMB Circular A-133 Requirements;
2. Auditor's Report on Compliance and Findings;
3. Auditor's Report on Internal Controls and Findings.
4. Schedule of Findings
5. Corrective Action Plan on Findings

Refer to Part II of the guidelines for additional information.

Audit Submission

All Audits are due by the close of business on Wednesday, April 30, 2014.

Your board of directors and selected auditor should review the attached guidelines for other audit requirements.

If the audit deadline cannot be met, the contract organization must submit a written explanation to ACS along with the expected audit completion date, 30 days prior to April 30, 2014. Please forward this correspondence to your ACS budget analyst.

All audit reports must be reviewed and approved by the Board of Directors prior to being sent to ACS. Audit reports not reviewed by the Board will not be accepted until all audit requirements are met. There should be a note that identifies who attended the meeting to review the audit.

Organizations will not receive a satisfactory fiscal evaluation of its program if the audit is submitted after the due date. It is very important to note that late or non-submission of an audit will have an adverse impact on the provider organization's VENDEX score.

The auditor must submit audit(s) to the contract organization within thirty (30) days after fieldwork is completed. Two (2) bound copies and one (1) PDF copy (sent by email) of the audit report shall be sent to the address below

EarlyLearn Audit Review
Administration for Children's Services
150 William Street, 10th Floor
Attention: [Your ACS Budget Analyst Name Goes Here]

FSEarlyLearnAuditReport@acs.nyc.gov

One (1) bound copy of the audit report to each Federal Agency that provides Federal Funds.

If your organization receives Federal funds of \$500,000 or more one (1) copy of the audit report must be sent to:

Federal Audit Clearinghouse
Bureau of the Census
1201 East 10th Street
Jeffersonville, Indiana 47132

Should you have any questions on the above, please contact your ACS budget analyst.



EarlyLearn New York City Provider Organization Audit Guidelines

**Effective Fiscal Year 2013
for the period covering
October 1, 2012 through June 30, 2013**

**Administration For Children's Services
Division of Financial Services
EarlyLearn Program
150 William Street, 10th Floor
New York, N.Y. 10038**

**EarlyLearn NYC Provider Organizations
Audit Guidelines
Fiscal Year 2013**

T A B L E O F C O N T E N T S

INFORMATION FOR CPA AUDIT FIRMS & PROVIDER ORGANIZATIONS

PART AND SECTION NUMBER

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Audit Guidelines
Fiscal Year 2013**

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**EarlyLearn NYC Provider Organizations
Audit Guidelines
Fiscal Year 2013**

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**Fiscal Year 2013
Audit Guidelines
For
EarlyLearn New York City Provider Organizations**

INFORMATION FOR CPA AUDIT FIRMS AND PROVIDER ORGANIZATION

PART I. PROVIDER ORGANIZATION AUDIT RESPONSIBILITIES

PART I. Section 1.0: Choosing An Auditor

Auditors are an important resource for any organization. A cooperative working relationship with an auditor will provide the provider organization with an opportunity to learn about its financial condition i.e., from a financial perspective on how its organization is performing. Also, the information provided by the auditor will assist the provider organization in making adjustments and developing corrective action strategies to improve its financial accounting and control systems, when necessary. The requirements in the selection of an auditor are as follows:

1. Follow the procurement standards prescribed by OMB Circular A-133 which requires that small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in contracts awarded.
2. **The audit firm must be independent and licensed to practice in New York State. The audit firm must be on the New York City Comptroller's "Pre-Qualified CPA List".** The current "Pre-Qualified CPA List" can be located on the New York City Comptroller's website.
3. To avoid a conflict of interest in selecting an auditor, the provider organization may not select a CPA audit firm that is currently working with the contract organization or that was engaged in consulting or any business management undertaking with the provider organization in the Fiscal Year 2013. It is strongly recommended that the term of an audit contract not exceed four (4) years including renewals.
4. When provider organizations enter into multi-year contracts, the price of each year of the contract must be established in advance and set forth in the agreement.
5. **The contract organization may not choose the same audit firm for more than four (4) consecutive years.**
6. The provider organization shall secure at least three (3) bids for audit contracts and choose the most responsible and lowest bid. If you are not sure of the cost of any audit, please contact your ACS Budget Analyst for assistance on this matter.
7. An auditor who prepares the indirect cost proposal or cost allocation plan may not also be selected to perform the audit. This restriction applies to the base year used in the preparation of the indirect cost proposal or cost allocation plan and any subsequent years in which the resulting indirect cost agreement or cost allocation plan is used to recover costs.

Part I. Section 1.1: Insurance

ACS strongly recommends that provider organizations contract with CPA firms that demonstrate that they carry liability insurance not less than one million dollars per occurrence to protect the organization, Administration For Children's Service (ACS), and the City of New York against any and all claims, loss or damage, whether in contract or tort, including claims for injuries to, or death of persons, or damage of property.

Part I. Section 1.2: Audit Fees

How much should the organization pay for an audit?

It is the responsibility of the provider organization's Board of Directors to negotiate a fee which the organization can afford.

How will audit fees be paid?

It is the responsibility of the provider organization's Board of Directors to pay all audit fees once the audit report has been finalized and accepted by ACS as per the terms and conditions of the audit engagement letter.

Part I. Section 1.3: Audit Engagement Letter

What is an engagement letter with the auditor?

An audit engagement letter sets forth the terms, conditions and objectives of the audit, the nature and scope of the services to be provided and related timeframes for report delivery and fee arrangements. Refer to Exhibit I on pages 62 through 66 for additional information.

The EarlyLearn Provider Organization Audit Guidelines must be shared with the Auditor(s) hired to perform an audit for Fiscal Year 2013, before signing the formal audit engagement letter.

All audit engagement letters are due **Friday, February 7, 2014**. Please forward a copy of this letter electronically to your ACS budget analyst.

Part I. Section 1.4: Audit Firm's Profile

What is an Audit Firm profile?

The Audit Firm Profile is the informational document prepared by the Certified Public Accountant's Firm who is seeking to be awarded a contract to perform the provider organization's audit report. It is strongly recommended that each provider organization retain the Audit Firm's Profile that is contracted for the Fiscal Year 2013 audit on file. Refer to Exhibit II on pages 68 through 72 for additional information.

All audit firm's profile are due **Friday, February 7, 2014**. Please forward a copy of this letter to your ACS Budget Analyst.

Part I. Section 1.5: Notifying ACS Upon the Selection of An Auditor

The provider organization shall inform their ACS Budget Analysts of the selected audit firm by sending one signed copy of an Engagement Letter (Exhibit I), and one signed copy of Audit Firm's Profile (Exhibit II), both on the CPA firm's letterhead.

Only an Audit Engagement Letter and Audit Firm's Profile as presented in Exhibit I and II will be accepted. Under no circumstances will another version be accepted. Audit fees agreed upon must be shown in the Audit Engagement Letter.

Part I. Section 1.6: Revenue and Expense Report

When will the revenue and the expense reports be sent to the auditor?

Upon receipt of one (1) signed copy of the audit engagement letter and the audit firm's profile, ACS will transmit these documents directly to the CPA firm hired by the provider organization.

Part I. Section 1.7: Audit Working Papers

The audit firm shall retain its work papers for a period of six (6) years after delivery of the final audit report for the fiscal year(s) mentioned in the audit engagement letter, and shall make the work papers available to ACS, the New York City Comptroller's Office, New York State and federal government upon request.

- (a) Retention of working papers: The auditor shall retain working papers and reports for a minimum of six (6) years after the date of issuance of the auditor's report(s) to the auditee, unless the auditor is notified in writing by ACS to extend the retention period. When the auditor is aware that the federal government, or auditee is contesting an audit finding, the auditor shall contact the parties contesting the audit finding for guidance prior to destruction of the working papers and reports.
- (b) Access to working papers: Audit working papers shall be made available upon request to ACS or its designee, a federal agency providing direct or indirect funding, or GAO at the completion of the audit, as part of a quality review, to resolve audit findings, or to carry out oversight responsibilities consistent with the purposes of this part. Access to working papers includes the right of federal agencies to obtain copies of working papers, as is reasonable and necessary.

PART I. SECTION 2.0: AUDIT RESPONSIBILITIES

PART I. Section 2.1: Provider Organization's Audit Report Responsibilities

What are the main responsibilities of a provider organization in providing an audit report?

The contract organization is responsible for familiarizing itself, and the audit firm, with ACS' audit guidelines, contract and fiscal manual. The provider organization is responsible for:

- Establishing a system of accounting and reporting that segregates and identifies financial assistance received by the organization, demonstrating how that assistance was used with the appropriate supporting documentation.
- Complying with laws, regulations and contractual requirements.
- Maintaining internal control over programs to provide reasonable assurance that the contract organization is managing awards in compliance with laws, regulations, and the provisions of contracts or grant agreements.
- Preparing appropriate Financial Statements as required by Nonprofit Generally Accepted Accounting Principles (GAAP) including (but not limited to) the required Financial Statements below:
 - Statement of Financial Position
 - Statement of Activities
 - Statement of Functional Expenses
 - Statement of Cash Flows
 - Notes to Financial Statements
 - ACS Schedules
- Sending one (1) copy of the executed Audit Engagement Letter and Firm's Profile to ACS.
- Distributing the requisite number of bound copies of the audit reports to ACS, i.e., one hard copy and one electronic copy sent electronically to your ACS Budget Analyst.
- Sharing the EarlyLearn NYC Provider Organization Audit Guidelines with the Auditor(s) Hired to perform an audit for Fiscal Year 2013, before signing the formal audit engagement letter.
- Submitting a Corrective Action Plan along with relevant supporting documentation for successful resolution of any findings noted in the audit.

Part I. Section 2.2: Timely Audit Submissions

What can a provider organization do to ensure that the audit is completed on time?

Each provider organization is expected to extend full cooperation to the auditors and be clear about what to expect from an auditor as specified in the audit engagement letter.

In order to ensure timely completion of the audit, each provider organization should ensure that its books, records, and are ready for audit. These items should be current, complete and contain all known and documented adjustments, and are available for the auditors' review and inspection. Refer to the following for additional information:

Preparing For An Audit

- 1.** Hire an auditor as early as possible.
- 2.** Be cooperative with the auditor and answer questions fully and truthfully.
- 3.** Be familiar with the audit guidelines, regulations, etc.
- 4.** Furnish the auditor with copies of the following:
 - a.** Grants, budgets, etc.
 - b.** Financial reports.
 - c.** Books of original entry.
 - d.** Listing of bank accounts and investment, if any.
 - e.** Organization chart.
 - f.** Contracts, leases, insurance policies etc.
 - g.** Board and committee minutes.
 - h.** Listing of administrative and financial staff and their functions.
 - i.** Policies, personnel files, payroll records etc.
 - j.** Correspondence relating to prior audits and other financial matters.
 - k.** Bank reconciliations.
 - l.** Documentation for receipts, disbursements, accruals etc.
 - m.** Listing of Schedules accounts payable, accounts receivable and accruals as of the end of the audit period.
 - n.** Inventory of equipment with cost.
 - o.** Regulations, manuals, etc.
 - p.** Other information requested by the auditor.
 - q.** Copies of prior years' Cash Closeout Reconciliations received from ACS along with any correspondence.
 - r.** Cost Allocation Plan and Cost Allocating Plan.

5. Have a planning discussion or meeting with the auditor.
6. Assign a staff person to assist the auditor.
7. Be available to answer questions and find information or documentation.
8. Be sure the books are ready for audit (current and complete), and contain all known and documented adjustments.
9. Be sure bank reconciliation is updated.
10. Be sure documentation is readily available and complete.
11. Have workspace available.
12. Prepare schedules for the auditor, if possible.
13. Have auditor brief your staff and you on the audit.

Documents Your Auditor May Want To Review

1. Accounts Payable Journal - Schedule
2. Accounts Receivable Journal
3. Application - Staff
4. Bank Accounts and Statements
5. Blank Checks
6. Budgets and Budgetary Information or Summaries
7. Cancelled Checks
8. Cancelled Payroll Checks
9. Cash Disbursements Journal
10. Cash Receipts Journal
11. Charities 500
12. Check Registers, if any
13. Child Daily Attendance Sheets and Roll Books
14. Document for Food Service Child Nutrition
15. Earnings Records
16. Employees' Evaluations
17. Expense Reports
18. Enrollment Documents
19. Financial Policies and Procedures Manual
20. Form 990 – Internal Revenue Service
21. Form 1099 – Internal Revenue Service

22. Form 941 – Quarterly Tax Report
23. Fire Drill Log, Fire Evacuation Plan and Fire Inspection Report
23. General Ledger
24. Insurance Policies
25. Job Descriptions
26. Leases
27. Leave Records
28. Loans between Programs, if any.
29. Schedule of Consultants
30. Service Contracts
31. Monitoring Reports
32. Other Deduction Authorizations
33. Paid Invoices
34. Payroll Registers
35. Payroll Taxes
36. Personnel Policies
37. Prior Audit Reports
38. Program Income Records
39. Property Records - List of Equipment Inventory with cost
40. Purchase Orders
41. Records of Services Provided
42. Request for Proposals, if applicable
43. Subcontracts
44. Time and Attendance Reports
45. Transfers/Termination Forms
46. Travel Authorizations
47. Travel Reimbursements
48. Trial Balances
49. Union Contracts
50. Voided Checks
51. Volunteer Time Sheets
52. Vouchers and Invoices Supporting Payments
53. W-4s, W-3s and W-2s
54. Working Papers Supporting Financial Statements

Part I. Section 2.3: Review And Acceptance Of Audit Reports

All audit reports must be reviewed and approved by the Board of Directors prior to being sent to ACS. Audit reports not reviewed by the Board will **not** be accepted until all audit requirements are met. **There should be a note that identifies who attended the meeting to review the audit.**

The auditor is responsible for making any and all corrections identified by the provider organization or by ACS. **Under no circumstances, will additional audit fees be allowed for amending, revising or correcting the audit report.**

Part I. Section 2.4: Due Dates For Audit Reports

All Audits are due by the close of business on **Wednesday, April 30, 2014.**

The auditor must submit audit(s) to the provider contract organization within thirty (30) days after fieldwork is completed.

If the audit deadline cannot be met, the provider organization must submit a written explanation to your ACS Budget Analysts along with the expected audit completion date, 30 days prior to Friday, March 7, 2014. Please forward written explanations electronically to your ACS Budget Analyst.

Provider organizations will not receive a satisfactory fiscal evaluation of its program if the audit is submitted after the due date. It is very important to note that late or non-submission of an audit will have an adverse impact on the provider organization's VENDEX score.

Part I. Section 2.5: Audit Report Submissions

Where should copies of the audit reports be sent?

The following are the distribution requirements:

- a. One (1) bound copy and one (1) PDF copy (sent by email) of the audit report shall be sent to the address below:

EarlyLearn Audit Review
Administration for Children's Services
150 William Street, 10th Floor
Attention: *Your ACS Budget Analyst Name Goes Here*

- b. If your organization spends Federal funds of \$500,000 or more one (1) copy of the audit report must be sent to:

Federal Audit Clearinghouse
Bureau of the Census
1201 East 10th Street
Jeffersonville, Indiana 47132

Part I. Section 2.6: Incomplete / Unacceptable Audit Reports

Audit reports which do not contain the following required Statements and Schedules, will be classified as “INCOMPLETE/UNACCEPTABLE”, and will not be used for VENDEX and fiscal evaluation purposes:

I. Auditor’s Report on Financial Statements including Auditor’s opinion on the ACS schedules attached hereto;

A. Financial Statements:

- Statement of Financial Position
- Statement of Activities
- Statement of Functional Expenses
- Statement of Cash Flow
- Notes to Financial Statements

B. ACS Schedules are set forth below;

Schedule 1: Statement of Revenues and Expenditures Budgeted and Actual: Consolidated

Schedule 2: Statement of Revenues and Expenditures Budgeted and Actual: Site Specific

Schedule 3: Statement of Head Start Revenues and Expenditures Budgeted and Actual:
Consolidated (For Head Start programs only)

Schedule 4: Statement of Head Start Revenues and Expenditures Budgeted and Actual:
Site Specific (For Head Start programs only)

Schedule 5: Schedule of Consultants

Schedule 6: Schedule of Fixed Assets Inventory

Schedule 7: Schedule of Quantitative Program Results

Schedule 8: Schedule of Renovation

Schedule 9: Detailed Explanation of Questioned Costs

C. OMB Circular A-133 Requirements (where applicable)

II. Auditor’s Report on Compliance and Findings

III. Auditor’s Report on Internal Controls and Findings

IV. Schedule of Findings

V. Corrective Action Plan on Findings.

Part I. Section 2.7: Audit Report – Record Retention

How long should copies of the audit report be retained?

The provider organization should retain copies of the audit report(s) on file for six (6) years with an understanding that there is **NO** statute of limitations on ACS's financial recoveries resulting from illegal acts or irregularities on the part of the provider organization.

PART II AUDIT REQUIREMENTS

PART II Section 1.0: Required Annual Audit of EarlyLearn NYC

All provider organizations are required to have an annual audit of the EarlyLearn NYC financial statements covering the fiscal period of October 1, 2012 through June 30, 2013 as required by the enclosed guidelines.

The ACS audit guidelines for EarlyLearn NYC contracts provide the rules required for an audit of the ACS provider organization's financial statements. The audit will be performed in accordance with the American Institute of Certified Public Accountants' (AICPA), Nonprofit Generally Accepted Accounting Principles (GAAP), Generally Accepted Auditing Standards (GAAS), U.S. Government Auditing Standards (GAO)/ Yellow Book and the provider organization's ACS contract terms and ACS's EarlyLearn Fiscal Manual.

Provider organizations may also be required to add the OMB Circular A-133 single audit requirements if your organization meets the required expense level. **ACS will not accept any A-133 audit from any provider organization who wants to substitute it for the requirements set forth in this guideline.**

Although references are made to non-profit providers throughout the audit guideline, all for-profit providers' organizations must follow the requirements set forth in this document.

PART II Section 2.0: Objective of Audit

An audit of the EarlyLearn NYC must be made by an independent auditor to determine whether:

- The provider organization is complying with the terms and conditions of the EarlyLearn NYC contract, fiscal manual, relevant laws and regulations affecting the program;
- Effective control and proper accounting is maintained for revenues, expenditures, assets and liabilities;
- Financial statements are presented fairly in accordance with Nonprofit Generally Accepted Accounting Principles (GAAP) and;
- Financial reports (including status reports, cash reports, and submission of enrollment and attendance for reimbursements) reflect the amounts recorded in the accounting system; and books and records of the organization are presented fairly and in accordance with the terms of ACS's contract;
- The provider organization must add the OMB Circular A-133 sections to the ACS audit.

PART II Section 3.0: General Guidelines

Part II Section 3.1: Required Audits Sections

The audit for all EarlyLearn contracted programs will be divided into five sections (as outlined below) and must include the following:

- I. The Audited Financial Statements including Auditor's opinion on the ACS schedules attached hereto;
 - A. Financial Statements:
 - Statement of Financial Position
 - Statement of Activities
 - Statement of Functional Expenses
 - Statement of Cash Flow
 - Notes to Financial Statements
 - B. ACS Schedules are set forth in Part II, Section 4.1.2
 - C. OMB Circular A-133 Requirements (where applicable)
- II. Auditor's Report on Compliance and Findings
- III. Auditor's Report on Internal Controls and Findings
- IV. Schedule of Findings
- V. Corrective Action Plan on Findings.

Part II. Section 3.2: Presentation

The EarlyLearn Audit Report should contain:

- A Title Page

The audit report should contain the following information on the cover or Title Page:

 - Name of EarlyLearn Provider;
 - Address and Phone Number of the EarlyLearn Provider;
 - Program under audit;
 - Provider Organization's Budget I.D. Number;
 - Grant Number, where applicable;
 - Beginning and Ending Dates of the Budget Period;
 - Starting and Ending Dates of the Audit;
 - Name of Audit Firm.
- A Table of Contents

The audit report should contain a Table of Contents, including Page Numbers, and the information presented in the Exhibit III Illustrative Audit Report as on pages 69 through 72, and;
- A Compliance and Internal Structure Section.

Compliance and Internal Control Structure

1. The Compliance and Internal Control Section should contain an introduction and exit conference section. The Introduction Section contains; a Brief Description of the Purpose of the Program, Which Organization Determines Eligibility; and Funding Information, including Any Matching Requirements, and the breakdown between Federal, State and City funding.
2. The exit conference section includes a list of all individuals who attended the exit conference, their titles, the date the meeting was held, and the location.
3. All parties should be given at least five (5) day notice of the meeting prior to the day of the exit conference. If, after being contacted, the representative from the constituent agency does not attend the meeting, the report should include a statement that the representative was contacted but did not attend.
4. A draft of the audit report should be received by the provider organization at least ten (10) working days before the exit conference.
5. Any disputes or disagreements pertaining to the audit report that cannot be resolved to all parties' dissatisfaction should be noted and described in the exit conference section of the audit report.
6. Audit reports will not be accepted in other formats other than the format cited in this ACS EarlyLearn Audit Guideline.

PART II: Section 4.0: Audit

The Audit Report

The audit will be divided into five sections: The Financial Audit, a Report on Compliance and a Report on Internal Control Structure, Schedule of Findings and Corrective Action Plan.

The auditor's report(s) will be in the form of separate reports. The auditor's report(s) shall state that the audit was conducted in accordance with the following:

1. An opinion (or disclaimer of opinion) as to whether the financial statements are presented fairly in all material respects in conformity with Nonprofit Generally Accepted Accounting Principles (GAAP) and;

The Audited Financial Statements.

2. A report on compliance which will include an opinion (or disclaimer of opinion) as to whether the auditee complied with laws, regulations, and the provisions of contract agreements which could have a direct and material effect on the organization , and, where applicable, refer to the separate schedule of findings and questioned costs described in paragraph below of this section.
3. A report on internal control related to the financial statements. This report shall describe the scope of testing of internal control and the results of the tests, and, where applicable, refer to the separate schedule of findings and questioned cost.
4. A schedule of findings and questioned costs which shall include the following three components:
 - a. The criteria, condition, context, effect and cause of the finding;
 - b. Auditor's recommendation;
 - c. Provider organization's response and the planned corrective action.
5. Corrective Action Plan:
 - a. The Corrective Action Plan should outline all audit findings. The findings should be numbered and a brief description should be provided.
 - b. Each finding should have a proposed corrective action, milestones and timelines when it will be corrected by the responsible party.
 - c. Once the finding has been corrected and it should be sent to your auditor and ACS Budget Analysts.

Part II. Section 4.1: Financial Audit/Audited Financial Statements

Financial audits are required for October 1, 2012 through June 30, 2013. The full scope of an audit report must contain an expression of an opinion concerning whether the financial statements are presented fairly, in all material respects, in accordance with Nonprofit Generally Accepted Accounting Principles. If an Unqualified Opinion cannot be expressed, the nature of the qualification or the reason for a disclaimer should be stated. The opinion should also state that the audit was performed in accordance with Nonprofit Generally Accepted Auditing Standards (GAAS) Nonprofit Auditing Standards, the GAO Yellow Book and the provisions of EarlyLearn NYC Audit Guideline, ACS contract terms and the ACS's EarlyLearn NYC Fiscal Manual.

Part II. Section 4.1.1: Report on Financial Statements

The Financial Statements should enable provider organizations to evaluate their financial performance, financial position, and changes in financial position of the organization. The following are the main financial statements required by Nonprofit Generally Accepted Accounting Principles (GAAP), which will be required to be audited.

Statement of Financial Position

The Statement of Financial Position helps the provider organization assess its financial soundness in terms of liquidity, financial, credit and business risks. The Statement of Financial Position, also referred to as the “balance sheet,” summarizes the assets, liabilities and net assets of the organization at a specified date.

Statement of Activities (SOA)

A Statement of Activity, also referred to as the “income statement,” provides relevant information on how the organization’s resources are used in the provision of services. In addition, the SOA reflects the changes to a provider organization’s net assets resulting from income and expenses that occur during the current fiscal year.

Statement of Cash Flow

A Statement of Cash Flow tracks cash by demonstrating where the nonprofit has received and spent its cash. Cash flow has three categories: operating cash flow, financing cash flow, and investing cash flow.

- A. Operating Cash Flow or “cash flow from operations”: An item on the cash flow statement that reports cash generated by the day-to-day operation of the program, such as collective accounts receivable, buying inventory, or generating income. The cash generated from the operations of an organization, generally defined as revenues less all operating expenses, but calculated through a series of adjustments to net income.
- B. Financing Cash Flow or "cash flow from financing": An item on the cash flow statement that reports cash generated or used in the issuing or paying of debt or the payment. A form of financing in which the loan is backed by an organization’s expected cash flows.

The schedules or repayments for cash-flow loans are based on the organization’s projected future cash flows. Cash flows from financing activities arise from the borrowing, repaying, or raising of money.
- C. Investing Cash Flow or "cash flow from investing": An item on the cash flow statement that reports cash generated or, more commonly, used in investments of the organization or program. Includes such things as capital expenditures and the purchase or sale of short- and long-term investments.

Statement of Functional Expenses

A Statement of Functional Expenses divides the expenses of the nonprofit during the fiscal year into three categories: program, fundraising and management. The purpose of this statement is to permit external users to determine how much of a nonprofit's finances are devoted to programming management and fundraising.

Notes to Financial Statements

Notes to the financial statements are additional information added to the end of financial statements and help explain specific items as well as provide a more comprehensive assessment of the provider organization's financial condition.

The following notes should be included in the audit(s) to the extent that they are applicable for the provider agency's organization under audit.

1. **Summary of Significant Accounting Policies:** The first note should be the summary of significant accounting policies. The discussion of significant accounting policies should include the following:
 - **Basis of Accounting:** The financial statements are prepared on an accrual basis of accounting, as interpreted for nonprofit organizations.
 - **Capital Expenditures:** The reporting of capital additions as expenditures is in accordance with Nonprofit Generally Accepted Accounting Principles.
 - **Inventory:** If significant amounts of inventory are on hand as the accounting period ended, the amounts should be determined and included in the Statement of Financial Position.
 - **Vacation and Sick Leave:** Accrued vacation and sick leave must be included in the Statement of Financial Position as of June 30, 2013. The same holds true for all unearned revenue. Funds must exist to support accrued vacation liabilities. **If these funds does not exist it is the responsibility of the Board of Directors to assume this liability.**
2. **Cash:** The *cash note* includes an itemized, detailed list of the bank accounts. The name and address of the bank along with the account number should be listed for each account. The list should also include each petty cash fund maintained for the organization along with a description of the purpose of each fund. For bank accounts that are interest bearing, the interest earned on each account during the audit period should be disclosed by account in the notes. The note should also indicate whether the cash amounts include the interest earned to date. In addition, the note should contain a list of all checks outstanding for all bank accounts for six (6) months or longer. The auditor, to the extent possible, should determine and disclose the reasons for significant checks outstanding for extended periods. If the list is excessive in length, the list can be provided as a schedule.

Cash

At January 31, 200X, Cash consisted of:

<u>Cash in Banks</u>	<u>Cash Balance</u>	<u>Interest Earned</u>
<u>Current Programs</u>		
The ABC National Bank Anywhere, New York 10000 Account Number 000-00-0000	\$ X, XXX	\$ XXX
<u>Prior Programs</u> (specify program years)		
The DEF National Bank Anywhere, New York 10000 Account Number 000-00-0000	\$ <u>X, XXX</u> \$ <u>X, XXX</u>	<u> </u> \$ <u>XXX</u>
<u>Petty Cash</u>		
(Specify name and balance of each Petty Cash Fund)	\$ <u>XXX</u>	

Bank charges aggregating \$XXX were incurred during the period and are reflected in the Office Supplies Financial Statement caption.

(1) Includes Interest earned to date.

The following is a list of checks outstanding for a period of six months or longer.

<u>Check Number</u>	<u>Amount</u>	<u>Payee</u>
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Note: If this list is excessive in length, the list can be provided as a Schedule to The Financial Statements using the above format.

3. Receivables: The *receivables notes* contain an analysis of each individual receivable balance contained in the Statement of Financial Position. All accounts receivable are to be fully disclosed in the Notes to Financial Statements. Each receivable balance should be separated into current year or the year the receivable balance was incurred.

Receivables:

Due From / To ACS consists of:

Current-Year program:

Funds available:

Cash received from ACS	\$ (XX, XXX)
Other Revenues (1)	(XX, XXX)
Expenditures (including accruals)	XX, XXX
Adjustments (provide explanation)	<u>X, XXX</u>
Due From / To ACS	<u>\$ X, XXX</u>

Prior-Year programs:

Beginning balance	\$ XX, XXX
Cash Received	(XX, XXX)
Expenditures (including Accruals)	XX, XXX
Adjustments (provide Explanation)	<u>XX, XXX</u>
Due From / To ACS	<u>\$ XX, XXX</u>

Ending Balance \$ XX, X XX

Disclosure on Subsequent Receipts:

The Agency subsequently received \$ **XX, XXX** for F Y. ____.

Inventory (2) **\$ XX, XXX**

Due from other Governmental Agencies or units consists of:

Current year C.A.C.F.P. Program, Expenditures Over Revenues.

Due from CACFP:

Due from CACFP as of January 31, 200X, represents unpaid Reimbursements \$ **X, X XX**
This amount was subsequently received.

- (1) Agrees with amounts reported in Statement of Revenues and Expenditures
- (2) Memorandum entry only, where applicable

Prior-Year C.A.C.F.P. Program (Identify Program Year) Expenditures Over Revenues \$ **X, XXX**

Disclosure on subsequent receipts:
This amount was subsequently received. \$ **X, XXX**

Due from Other Programs/Agencies consists of:

Loan to XYZ Program:
(Identify Program Year and the Purpose of Loan) \$ **XX, XXX**

Loan to ADY Organization:
(Identify Program Year and the Purpose of Loan) \$ **XX, XXX**
\$ **XX, XXX**

Disclosure on subsequent receipts:
This amount was subsequently received. \$ **XX, XXX**

Accounts Receivable consists of:

Due From Employees:
(Identify Employee and the Program Year) \$ **XX, XXX**

Disclosure on subsequent receipts:
This amount was subsequently received. \$ **XX, XXX**

4. **Prepaid Expenses:** The *prepaid expenses note* contains an analysis of the prepaid expenses balance shown in the Statement of Financial Position. The analysis should contain a description of the nature and purpose of each individual prepaid expense.

Prepaid Expenses:

Prepaid Expenses consist of the following at
January 31, 200X:

Prepaid Insurance (Specify the Type of Insurance) \$ **XX, XXX**

Prepaid Rent:
(Specify Type of Rent, Total Rent, and Period of Rental) \$ **XX, XXX**
\$ **XX, XXX**

5. Security Deposits: The *security deposits note* contains an analysis of the security deposits balance shown in the Statement of Financial Position. The analysis should contain a description of the nature and purpose of each security deposit.

Security Deposits

Security Deposits consist of the following at *month/date, 201X*:

Rental Deposit on main office located at 125th Street, including
Accrued Interest of \$ XXX **\$ XX,XXX**

6. Accounts Payable: All accounts payable are to be fully disclosed in the “Notes to Financial Statements.” The accounts payable note should include an itemized detailed list of each accounts payable containing the vendor’s name, date when subsequently paid, the amount that was payable as of the period ended, and the amount paid as of the end of field work. ACS requires that accounts payable be paid within ninety (90) days after the balance sheet date. If the auditor becomes aware that the ninety (90) days rule is being violated, the auditor should disclose the violation in the Compliance Report.

Accounts Payable:

Accounts Payable consists of the following *month/date, 201X*:

<u>Vendor</u>	<u>Date Paid</u>	<u>Amount</u>	<u>Unliquidated Balance</u>
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EarlyLearn

Current-Year Program:

(LIST EACH PAYABLE)

CACFP

(LIST EACH PAYABLE)

Prior-Year Program:

(LIST EACH PAYABLE)

CACFP

Total Accounts Payable	<u>\$ XX, XXX</u>	<u>\$ XX, XXX</u>
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7. Accrued Expenditures: The *accrued expenditures note* contains an analysis of the accrued expenditures balance shown in the “Statement of Financial Position.” The analysis should contain a description of the nature and purpose of each accrued expenditure and should be divided between current-year program and prior-year program. Payroll taxes withheld and accrued payroll taxes should be shown separately.

Accrued Expenditures:

Accrued Expenditures consist of the following at *month/date, 201X*:

<u>Vendor</u>	<u>Date Paid</u>	<u>Amount</u>	<u>Unliquidated Balance</u>
<u>Current-Year Program:</u>			
Salaries			
Fringe Benefits			
COLA			
COLA FICA			
<u>Prior-Year Program:</u>			
COLA			
COLA FICA			
Total Accounts Payable		\$ XX, XXX	\$ XX, XXX

8. **Other Payables:** The *other payables note* contains an analysis of each "Due To" account balance contained in the Statement of Financial Position. Each "Due To" balance should be divided into current-year and prior-year programs. For prior-year program "Due To," the description should identify the Fiscal Year for which the "Due To" relates. For both the current and prior-year, "Due To" amounts an appropriate description of the nature of the "Due To" is to be provided. The analysis of the "Due To ACS" balance consists of beginning balance, revenues received, expenditures, adjustments, and ending balance. The ending balance "Due To ACS" should be divided into its components (i.e., the amount represented by cash and the amount represented by inventory).

Other Payables:

Due to ACS consist of:

Current-Year Program:

Funds Available:	
Cash Received from ACS	\$ XX, XXX
Other Revenues (1)	XX, XXX
Expenditures (including Accruals)	(XX, XXX)
Adjustments (provide Explanation)	XX, XXX
Ending Balance	XX, XXX

Prior-Year Programs:

Beginning Balance	\$ XX, XXX
Cash Received	XX, XXX
Expenditures (Including Accruals)	XX, XXX
Adjustments (Provide Explanation)	XX, XXX
Prior-Year Questioned Costs (3)	XX, XXX
Ending Balance	XX, XXX
Inventory (2)	XX, XXX
	\$ XX,XXX

Due to Other Governmental Agencies or units consist of:

Current-Year Program C.A.C.F.P. Revenues over Expenditures \$ **XX, XXX**

Prior-Year Program (Identify Program Year) Revenues
Over Expenditures **XX, XXX**
\$ **XX, XXX**

Due to Other Programs/Agencies consist of:

Loan from XYZ Program:
(Identify Program Year and the Purpose of Loan) \$ **XX, XXX**

Loan to ADY Agency:
(Identify Program Year and the Purpose of Loan) \$ **XX, XXX**
XX, XXX

- (1) Agrees with amount reported in Statement of Revenues and Expenditures.
- (2) Memorandum entry only, where applicable.
- (3) Prior-year Questioned Costs are recorded as a Receivable from the Contractor and Payable to ACS.

9. Child and Adult Care Food Program (C.A.C.F.P.): All C.A.C.F.P. accounts payable are to be fully disclosed in the "Notes to Financial Statements." The accounts payable note should include an itemized detailed list of each accounts payable Current-Year Program C.A.C.F.P. Revenues over Expenditures.

10. Lease Commitments: The *lease commitments note* should be prepared in accordance with the Statement of Financial Accounting Standards (SFAS) NO.13, the related amendments and interpretations. At a minimum, the following should be disclosed for operating leases:

- a. Future minimum rental payments required, for all sites, as of the date of the latest Statement of Financial Position, in the aggregate and for each of the five succeeding fiscal years.
- b. The total of minimum rentals to be received in the future under non-cancelable sub-leases as of the date of the latest Statement of Financial Position.
- c. Rental expense, with separate amounts for minimum rentals, contingent rentals, and sub-lease rentals.
- d. A general description of the leasing arrangements, at a minimum, should include:
 - The basis on which contingent rental payments are determined;
 - The existence and terms of renewal or purchase options and escalation clauses;
 - Restrictions imposed by lease agreements;
 - The existence of related parties in the lease transactions; and
 - Costs per square foot and/or rental rate as described in the lease agreement.

Lease Commitments:

The provider organization leases the main office under the Operating Lease that expires in 200X and Equipment (specify type) that expires over the next X years.

Commitments under operating Lease Agreements for Facilities and Equipment provided for minimum annual rental payments as follows:

	<u>Facilities</u>	<u>Equipment</u>	<u>Total</u>
201X	\$ 5,000	2,500	7,500
201X	5,000	2,500	7,500
201X	5,000	2,500	7,500
201X	5,000	2,500	7,500
201X	5,000	2,500	7,500
Thereafter	<u>13,500</u>	<u>-</u>	<u>13,500</u>
Total	\$38,000	\$12,500	\$51,000

201X Rent Expense was \$7,500. The Cost Per Square Foot for the Facilities was \$10.50.

(If the Lease Agreement contains minimum Rentals, Contingent Rentals, and/or Sub-lease Rental, see SFAS No. 13, Appendix D for disclosure guidance.)

11. **Contractual Agreements:** The *contractual agreements note* contains a description of the significant contractual agreements that pertain to the organization under audit (excluding those leases included in the *lease note*). Between the *lease note* and *contractual agreements note*, no significant leases and/or contracts should be omitted, regardless of the duration of the agreements. Typical contractual agreements include:

- Month-to-Month leases for postage meters, copy machines, equipment rental, and maintenance contracts; and
- Other contracts not included in the *lease note*.

Contractual Agreements:

The Contractual Agreements disclosure should include those significant Contractual Agreements (excluding the leases reported in the Lease Footnote) related to the provider organization (e.g., month-to-month leases or maintenance contracts.) the disclosures, at a minimum, should include:

- A. Name of Agreements;
- B. Future commitments under the agreements, including amounts committed and the period of time; and
- C. Any involvement with Related Parties

12. **Cost Allocation:** The *cost allocation note* contains a description of the cost allocation plan and cost allocating plan between direct and indirect. Refer to Part II Section 4.2: Auditor's Compliance and Findings on page 32.

13. **Centrally Paid Costs for EarlyLearn provider organizations:** The *centrally paid note* contains the description and amount of the EarlyLearn provider organization's insurance. ACS pays for the organization through the Central Insurance Program. ACS currently pays a total of \$3,400 per classroom for the following insurance coverage: Workers' Compensation and Disability, Commercial General Liability, and Fidelity/Crime Insurance.

Please Note: Although the following insurance information will not be applicable to the 2013 Audit it will be required for the 2014 Audit.

Insurance Costs:

Insurance Costs aggregating \$XX, XXX for the fiscal year ended *month/date*, 201X were paid by the City of New York on the behalf of the provider organizations ___#___employees and are not reflected in the Financial Statements. The components of the Centrally Paid Insurance Costs include:

Health	\$ XX, XXX
Disability	XX, XXX
Life	
Accident, Death, and	
Dismemberment	XX, XXX
Workers' Compensation	XX, XXX
General Liability	XX, XXX
Property Insurance	XX, XXX
Fatality Policy	<u>XX, XXX</u>
	\$ XX, XXX

14. **Contingent Liabilities:** The *contingent liabilities* note contains a description of all contingent liabilities affecting the contract organization. Typical contingent liabilities include:

- Litigation employment related to EEOC, workers' compensation, and liability; and
- Compliance with contract terms.

The disclosure of the litigation should include a description of the litigation, including parties involved, and an estimate of the possible loss or range of loss, or else state that such an estimate could not be made.

Refer to Statement On Accounting Standards (SAS) NO. 12 Inquiry of a Client's Lawyer Concerning Litigation Claims, and Assessments and Statement of Financial Accounting Standards (SFAS) NO. 5, Accounting for Contingencies for additional guidance.

Contingent Liabilities:*

The provider organization participates in a number of Federal, State, or locally assisted Grant Programs, of which the principle items are (describe each program). These programs are subject to Financial and Compliance Audits by the grantors or their representatives. The audit of the(se) program(s) for or including the year ended January 31, 200X, have not yet been conducted. Accordingly, the provider organization's compliance with applicable grant requirements will be established at some future date.

The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time although the agency expects such amounts, if any, to be immaterial.

*This Footnote should be appropriately modified to reflect contingency-related Current and Prior-Year Questioned Costs.

15. **Depreciation:** The *depreciation note* describes the annual record of depreciation in the accounts on long lived assets.

Refer to Financial Accounting Standards Board (FASB) Accounting Standards Codification ASC 958-360-35, Not-for-Profit Entities: Depreciation Financial Accounting Standards (FAS-93, Recognition of Depreciation by Not-for-Profit Organizations) which requires all not-for-profit organizations to recognize depreciation in the financial statements and to disclose the depreciation expense, the balances of major classes of depreciable assets and the accumulated depreciation at the balance sheet date, and a description of the Depreciation method used.

16. **Related Parties:** The *related parties note* should contain a description of all significant related-party transactions. Typical related parties include:

- Services obtained from a business that is controlled by officers, directors, or their family members of the organization (e.g., such as rent). Refer to SAS NO. 45, "Related Party Transactions" and SFAS NO. 57, "Related Parties" for additional guidance.
- **Possible Additional Note Disclosure:** In addition to the above suggested notes, any infrequent or unusual items and/or misleading items should be disclosed in the notes.

Related Parties:

Related-Party disclosures should include as a minimum:

- A. The nature of the relationship(s) involved.
- B. A description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which statements of revenues and expenditures are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the Financial Statements.
- C. The dollar amounts of transactions for each of the periods for which statements of revenues and expenditures are presented and the effects of any change in the; method of establishing the terms from that used in the preceding period.
- D. Amounts due from or to related parties as of the date of each statement of assets and liabilities presented and, if not otherwise apparent, the terms and manner of settlement.

17. Reporting Parents' Fees In The Audit Reports:

Child Care Program: Due to the importance of parents' fee revenue to the program, all fees are considered by ACS to be collectible from the parents. This includes parents' fees that were due but that "remain unpaid" for children no longer in the program. Therefore, the parents' fees receivable should always remain on the Statement of Financial Position of the contract organization as "Due from Provider Organization" and show balances outstanding for the current year and be separately detailed in the Notes to the Financial Statement.

The auditor should review the system of internal control surrounding the collections of parents' fees and report any weaknesses in the audit report on internal control. The auditor should also determine if the organization has a debt write-off policy for revenue not collected.

Head Start and Dual Programs: A Head Start program must not prescribe any fee schedule or otherwise provide for the charging of any fees for participation in the program. If the family of a child determined to be eligible for participation by a Head Start program volunteers to pay part or all of the costs of the child's participation, the Head Start program may accept the voluntary payments and record the payments as program income. Under no circumstances shall a Head Start program solicit, encourage, or in any other way condition a child's enrollment or participation in the program upon the payment of a fee.

18. Reporting Private Tuition Fees In The Audit Reports

(a) The private tuition funds, if they exist, must be audited. Revenues and expenditures must be included in the audit report. The audit report will be considered "INCOMPLETE" without the required accounting or relevant statement.

(b) The auditor should receive written representation from the contract organization that the contract organization has provided the auditor with all the private tuition bank accounts and books or that there is NO private tuition funds and make a note thereof in the audit report.

(c) Private tuition funds must be segregated from ACS contracted funds, and may be expended for any of the expenditures by the ACS budget categories.

(d) Any surplus of private fees belongs to the provider agency and can be spent on allowable expense as designated by the organizations Board.

19. Other Funds Used For Day Care

Reporting and auditing of all funds used to administer the EarlyLearn contract is essential in order to understand how the program is operating financially. These funds can be from fundraising, grants from state and the federal governments and/or foundations.

Part II. Section 4.1.2: ACS Schedules

These schedules are information that assists ACS in determining how well your organization is performing financially. All ACS schedules below are part of the Audit Report and will be subject to all audit procedures and requirements.

ACS needs the required schedules for EarlyLearn provider organizations to fully identify and account for ACS funds for each and every program. These schedules are also needed for the close-out of each contract and to determine balance to the provider organization or to ACS at the end of the fiscal year.

Each of the following schedules must be prepared separately for each program.

Statement of Revenues and Expenditures Budgeted & Actual : Consolidated	Schedule 1
Statement of Revenues and Expenditures Budgeted & Actual : Site Specific	Schedule 2
Statement of Head Start Revenues and Expenditures Budgeted and Actual: Consolidated	Schedule 3
Statement of Head Start Revenues and Expenditures Budgeted and Actual: Site Specific	Schedule 4
Schedule of Consultants	Schedule 5
Schedule of Fixed Assets Inventory	Schedule 6
Schedule of Quantitative Program Results	Schedule 7
Schedule of Renovation	Schedule 8
Detailed Explanation of Questioned Costs	Schedule 9

The following additional Schedules are required, where applicable:

- A. In lieu of the Schedule of Miscellaneous Expenditures in excess of \$100, a Schedule of Other Expenditures should be included containing the following cost categories where applicable:
 - Telephone
 - Utilities
 - Uniform Allowance
 - Maintenance and Repair
 - Local Transportation-Staff
 - Local transportation-Children
 - Postage
 - Field Trips
 - Rental of Equipment
 - Service Contracts
 - Insurance (for Automobiles)
 - Bank Charges
 - Miscellaneous (minor dollar accounts)

Part II. Section 4.1.3: OMB Circular A-133 Requirement

If your organization receives more than \$500,000 in federal funds your organization is required to do an A-133 as a separate report. The report should include the following:

- The type of report the auditor issued on the financial statements of the auditee (i.e., unqualified opinion, qualified opinion, adverse opinion, or disclaimer of opinion).
- Where applicable, a statement that significant deficiencies in internal control were disclosed by the audit of the financial statements and whether any such conditions were material weaknesses.
- Since a statement as to whether the audit disclosed any noncompliance which is material to the financial statements of the auditee.
- The dollar threshold used to distinguish between Type A and Type B programs as defined in OMB Circular A-133.
- The Catalog of Federal Domestic Assistance (CFDA) number for each federal program, as applicable.
- The amount of expenditures in the schedule of expenditures of federal awards associated with each federal program.
- For each federal program, a yes or no statement as to whether there are audit findings in each of the following types of compliance requirements and the total amount of any questioned costs:
 - Activities allowed or unallowed.
 - Allowable costs/cost principles.
 - Cash management.
 - Davis-Bacon Act.
 - Eligibility.
 - Equipment and real property management.
 - Matching, level of effort, earmarking.
 - Period of availability of Federal funds.
 - Procurement and suspension and debarment.
 - Program income.
 - Real property acquisition and relocation assistance.
 - Reporting.
 - Subrecipient monitoring.
 - Special tests and provisions.
 - Questioned Costs
- Auditee Name, Employer Identification Number(s), Name and Title of Certifying Official, Telephone Number, Signature, and Date.
- Auditor Name, Name and Title of Contact Person, Auditor Address, Auditor Telephone Number, Signature, and Date.
- Whether the auditee has either a cognizant or oversight agency for audit.
 - The name of the cognizant or oversight agency for audit.

Reporting package. The reporting package shall include the:

- (1) Financial statements and schedule of expenditures of Federal awards;
- (2) Summary schedule of prior audit findings;
- (3) Auditor's report(s); and
- (4) Corrective action plan, if applicable.

Submission to Clearinghouse. All auditees shall submit their A-133 to the Federal Clearinghouse.

Federal Audit Clearinghouse
Bureau of the Census
1201 East 10th Street
Jeffersonville, Indiana 47132

Part II. Section 4.2: Auditor's Compliance and Findings

All audit reports must contain a report on compliance in accordance with the requirements of the GAO Yellow Book and Statement of Financial Accounting Standards (SAS) No. 63. Auditors are to prepare a written report on their tests of compliance with applicable laws and regulations. This report should contain a statement of positive assurance on those items which were tested for compliance and negative assurance on those items not tested. It should include all instances of noncompliance, and all instances or indications of illegal acts which could result in criminal prosecution. The auditor must make a sufficient examination to report on the provider organization's compliance with the applicable law and regulations and specified quantified contractual requirements. Specific compliance areas are delineated in separate pages. The auditor communicates the results of the compliance testing in the report on compliance.

The auditor should, as part of the audit, review contracts and perform audit procedures to ascertain that the specific quantified program objectives have been achieved. They should also examine the Internal Controls over the data gathered by the organization relative to program objectives to ensure that required reports submitted to ACS concerning program objectives are supported by the books and records including any schedules, and are fairly presented. However, even if reports concerning program objectives are not contractually required, the auditor should make sufficient observations and examinations of data to ascertain whether the quantified program objectives are being met. Audit working papers should reflect the scope of such examination. The following listed below are the section in which the auditor should test for compliance and should note in the Report of Compliance, whether the organization was in compliance or not.

Accounting System Certifications

The auditor will determine if the organization has an accounting system that has appropriate internal controls for safeguarding assets, liabilities, revenues and expenses, checking the accuracy and reliability of accounting data, and promoting operating efficiency.

Banking Requirement

The organization is required to deposit all monies received from ACS into a FDIC insured interest bearing bank account. No more than the maximum insured should be deposited into any one account. List the bank and the amounts.

Contractor Contribution

ACS will fund EarlyLearn providers up to a maximum of 93.3% of program costs of all program models. The provider organization must contribute a minimum of 6.7% for all models except Head Start and Dual requires a 20% non-federal match. For provider organizations that provide a Head Start and Dual program the 6.7% is a subset of the 20% non-federal match. Contractor's contribution must cover the program costs associated with meeting the service requirements and not supplement them. Contractor's contribution must meet the criteria for the allowability, allocability, and the valuation of the sources contributed. This contribution should not have any strings attached to it, where the provider organization benefits personally from the contribution.

- Contractor's Contribution can be in the form of cash and non-cash contribution and it is expected to fund allowable costs.
- Refer to the EarlyLearn NYC Fiscal Manual for examples that may comprise the provider agency contribution.
- The auditor should test what the provider organization has reported on its expense reports as contractor contribution.

- The test should determine the validation and the allowability of the expenses. In determining the adequacy of the Contractor's Contribution the calculation is based in actual expenditures and not budget expenditures.
- If the expenses are not valid this should be recorded in the Compliance Reports.
- If the provider organization has not met its contractor's contribution the auditor should note this in the Compliance Report.

Contractor's Contribution Calculation:

Contribution due from a provider organization should be calculated by program model and then aggregated on a contractor level based on actual expenditures. Provider organization may have different program models and each model has its own specifics due to different funding. The information below should only be used for child care programs.

Contract Amount Awarded by ACS \$_____ (reflects 93.3% of ACS funding)

Contractor Contribution \$_____ (reflects 6.7% of Contractor Contribution)

Amount of Revenue received from ACS \$_____.

Amount due from Contractor \$_____ (Revenue / 93.3 x 0.067)

Amount the provider organization provided \$_____.

Percent of Contractor Contribution achieved _____%

Met Contractor Contribution requirement? Yes _____ No _____.

- * Family Child Care Network (FCCN) provider stipends are not included when calculating Contractor's Contribution. For this model the Contractor's Contribution is calculated based on the cost of administering FCC network. As of 10/1/2012 for the entire Fiscal Year 2013 FCCN Administrative Fund was calculated based on FCCN Daily Administrative Rate of \$5.27.

Head Start Non-Federal Match (NFM)

Non-Federal Match relates only to those EarlyLearn NYC Programs that are fully or partially funded by federal dollars. Therefore, only funding for Head Start (HS) and Dual (CCHS) preschool children falls under NFM requirements. In accordance with 45 CFR §1301.20 the provider organization must meet 20% of Non-Federal Share/Match. The normally required 20% of the Total HS Program's Cost (Federal Fund plus Non Federal Share) this is the same as 25% of the Total Federal HS Fund expensed. Thus, a Contractor's NFM responsibility is 25% of the total amount of HS Fund expensed by the provider organization plus related HS administrative costs paid by ACS, such as insurance.

The primary sources of NFM may be state or local funds as well as donations from non-federal third parties in Cash and In-Kind. Since Universal Pre-Kindergarten (UPK) Head Start expenses are funded by sources other than federal fund (New York State) they may be counted toward NFM requirements. If a provider organization fully meets his responsibilities toward NFM for applicable programs, it means that the Contractor's 6.7% HS Contribution responsibilities also were met regardless of the balance.

Head Start programs require a 20% in-kind non-federal match of Head Start funding. The 6.7% contractor contribution is a subset of the non-federal match. Universal Pre-Kindergarten is funded by New York State and must be used as contribution to the provider organization's Head Start non-federal match requirement.

- Non-federal match can be in the form of cash and non-cash contribution and it is expected to fund allowable costs.
- Refer to the Fiscal Manual for examples that may comprise the non-federal match contribution.

- Non-federal matching cash and non-cash assistance used for ACS's Head Start program cannot also be used for any other federally assisted project or program.
- The auditor should test to determine if the organization has met its non-federal match.
- The auditor should test what the organization has reported on its expense reports as Non-federal match.
- The test should determine the validation and allowability of the expenses.
- If the expenses are not valid this should be recorded in the compliance reports.
- If the organization has not met its non-federal match the auditor should note this in the Compliance Report.

In-Kind

Contract Amount Awarded by ACS \$_____ (reflects 80% of ACS funding)

In-Kind \$_____ (reflects 25% of Contractor Contribution)

Amount of Revenue received from ACS \$_____.

Amount due from Contractor \$_____ (Revenue/.75x.25)

Amount of NFM the organization provided \$_____.

Percent of Contractor's Contribution achieved _____%.

Met NFM requirement? Yes_____ No_____

If an organization has excess Contractor Contribution and In-Kind Match, the excess over the budgeted amount should not be a Questioned Cost. A note should be added to the budget and actual statement explaining that the budget overage is caused by an excess of In-Kind or Contractor Contributions. Any Contractor Contribution and In-Kind match deficiency should also be disclosed in the Compliance Report.

Revenue Received from Enrollment

This section has been left blank and will be added to the testing in 2014 audit.

Cost Allocating Plans and Cost Allocation Plans

All organizations should have a cost allocating plan (direct, indirect) or a cost allocation plan on file.

ACS requires that provider organization must fairly and accurately allocate costs which are attributable to the operation of two or more programs with distinct funding sources by a method which represents the benefit of such costs to each program.

In the "Notes to Financial Statements and Compliance Section," the auditor shall indicate if the contract organization has a *cost allocating plan* or a *cost allocation plan* and if the plan was implemented in their accounting system.

- Cost Allocating between direct and indirect refers to the distribution of costs between direct/programmatic and indirect/administrative which taken together equal the total cost of the program. Cost Allocating between direct and indirect is the foundation of a Cost Allocation Plan. Cost allocating:
 - Ensures costs are reasonable;
 - Identifies each component of the budget as either direct or indirect;
 - Identifies how money is spent in connection with a program and how much is spent to administer it; and
- A Cost Allocation Plan refers to how costs are distributed among the various funding sources. It is a written account of the methods used by an agency to allocate costs to its various funding sources.

- A cost allocation plan is the process of assigning two or more programs the costs of an item shared by the program.
- The goal is to ensure that each program bears its fair share and only its fair share of the total cost of the item.
- Ensures funds are correctly spent by funding source.

Limitations on Costs of Development and Administration of a Program

Allowable costs for developing and administering a program may not exceed 15 percent of the total approved costs of the program for Head Start and 25 percent for Child Care and Dual programs.

The limit of 15 and 25 percent for development and administrative costs is a maximum. In cases where the costs for development and administration are at or below 15 percent, but are judged by ACS to be excessive, the organization must eliminate excessive development and administrative costs.

Development and administrative costs. Costs classified as development and administrative costs are those costs related to the overall management of the program. These costs can be in both the personnel and non-personnel categories.

- Provider organization must charge the costs of organization-wide management functions as development and administrative costs. These functions include planning, coordination and direction; budgeting, accounting, and auditing; and management of purchasing, property, payroll and personnel.
- Development and administrative costs include, but are not limited to, the salaries of the executive director, personnel officer, fiscal officer/bookkeeper, purchasing officer, payroll, insurance, property clerk, janitor for administrative office space, and costs associated with volunteers carrying out administrative functions.
- Other development and administrative costs include expenses related to administrative staff functions such as the costs allocated to fringe benefits, travel, per diem, transportation and training.
- Bonding; and, to the extent they support development and administrative functions and activities, the costs of insurance, supplies, copy machines, postage, and utilities, and occupying, operating and maintaining space.

Program costs. Program costs include, but are not limited to:

- Personnel and non-personnel costs directly related to the provision of program component services and component training and transportation for staff, parents and volunteers;
- Costs of functions directly associated with the delivery of program component services through the direction, coordination or implementation of a specific component;
- Costs of the salaries of program component coordinators and component staff, janitorial and transportation staff involved in program component efforts, and the costs associated with parent involvement and component volunteer services; and
- Expenses related to program staff functions, such as the allocable costs of fringe benefits, travel, per diem and transportation, training, food, center/ classroom supplies and equipment, parent activities funds, insurance, and the occupation, operation and maintenance of program component space, including utilities.

Dual benefit costs. Some costs benefit both the program components as well as development and administrative functions within the program. In such cases, grantees must identify and allocate appropriately the portion of the costs that are for development and administration.

- Dual benefit costs include, but are not limited to, salaries, benefits and other costs (such as travel, per diem, and training costs) of staff who perform s both program and development and administrative functions. The organization must determine and allocate appropriately the part of these costs dedicated to development and administration.
- Space costs, and costs related to space, such as utilities, are frequently dual benefit costs. The provider organization must determine and allocate appropriately the amount or percentage of space dedicated to development and administration.

Limitation of Cost:

Child Care Program:

Total Expenses for EarlyLearn \$ _____
 Total Amount Administrative \$ _____, _____ %
 Total Amount Programmatic \$ _____, _____ %
 Meet Limitation requirement Yes____, No____

Dual Program:

Total Expenses for EarlyLearn \$ _____
 Total Amount Administrative \$ _____, _____ %
 Total Amount Programmatic \$ _____, _____ %
 Meet Limitation requirement Yes____, No____

Head Start Program:

Total Expenses for EarlyLearn \$ _____
 Total Amount Administrative \$ _____, _____ %
 Total Amount Programmatic \$ _____, _____ %
 Meet Limitation requirement Yes____, No____

Governance and Management Policies

The auditor should determine if the provider organization has the following policies listed below and whether they have been implemented:

Policy and Board member responsibility: The provider organization must have written policies that define the roles and responsibilities of the governing body members and that inform them of the management procedures and functions necessary to implement a high quality program.

The provider organization's governing body shall be composed as follows:

- Not less than 1 member shall have a background and expertise in *fiscal management or accounting*;
- Not less than 1 member shall have a background and expertise in *early childhood education and development*;
- Not less than 1 member shall be a *licensed attorney* familiar with issues that come before the governing body;
- **Additional members** shall reflect the community to be served and include *parents of children* who are currently, or were formerly, enrolled in Head Start programs.

If the provider organization has not established the appropriate groups, the auditor should comment on the current status and planned action for meeting the requirement on the Compliance Report. The provider organizations receiving only Child Care funding, determine whether the Organization has set up the Parent Advisory Committee by the established deadline date of December 21, 2012.

Executive Compensation: A provider organization may not pay more than reasonable compensation for services rendered. In the compliance section the auditor should indicate if the provider organization has a policy in place for determining compensation for management staff.

Conflicts of Interest: The directors of an organization owe it a duty of loyalty. The duty of loyalty requires a director to act in the interest of the organization rather than in the personal interest of the director or some other person or organization. In particular, the duty of loyalty requires a director to avoid conflicts of interest that are detrimental to the organization. Many organizations have adopted a written conflict of interest policy to address potential conflicts of interest involving their directors, trustees, officers, and other employees.

Investment: The governing body or certain other persons may be required either by state law or by the organizational documents to oversee or approve major investments made by the organization. Increasingly, organizations are investing in joint ventures, for-profit entities, and complicated and sophisticated financial products or investments that require financial and investment expertise and, in some cases, the advice of outside investment advisors.

Fundraising: Charitable fundraising is an important source of financial support for many organizations. The IRS encourages organizations to adopt and monitor policies to ensure that fundraising solicitations meet federal and state law requirements and solicitation materials are accurate, truthful, and candid. Organizations are encouraged to keep their fundraising costs reasonable and to provide information about fundraising costs and practices to donors and the public.

Refer to ACS Numbered Memorandum entitled Facility / Property Related Fundraising Policies dated March 15, 2012.

Governing Body Minutes and Records: How often does it meet and whether the minutes are available.

Document Retention and Destruction: ACS encourages organizations to adopt a written policy establishing standards for document integrity, retention, and destruction. The document retention policy should include guidelines for handling electronic files. The policy should cover backup procedures, archiving of documents, and regular review of the reliability of the system.

Whistleblower Policy: The public expects an organization to abide by ethical standards that promote the public good. The provider organization's governing body bears the ultimate responsibility for setting ethical standards and ensuring they permeate the organization and inform its practices.

Ethics Policy: ACS encourages an organization's board of trustees to consider adopting and regularly evaluating a code of ethics that describes behavior it wants to encourage and behavior it wants to discourage. A code of ethics will serve to communicate and further a strong culture of legal compliance and ethical integrity to all persons associated with the organization.

Volunteers: The provider organization must develop and implement a system to actively recruit, train and utilize volunteers in the program. Special efforts must be made to have volunteer participation, especially parents, in the classroom and during group socialization activities. The organization should have a policy and procedures on how to recruit, screen, manage, track and validate the amount of time spent by volunteers in the classroom or on projects.

Capitalization Policy: Does the provider organization have a policy in place that defines a capital asset and when the assets depreciates?

Board of Director Minutes

The minutes of the provider organization's Board of Directors should be reviewed to ascertain if there are any significant contingent liabilities and/or litigation and that the Board has approved to make major expenditures. Significant contingent liabilities and/or litigation should be disclosed in the notes to the financial statements, if minutes are not maintained or available, this situation should be disclosed in the Compliance Report.

Personnel Policies and General Administration

Written policies. The provider organization must establish and implement written personnel policies for staff that are made available to all staff. At a minimum, such policies must include:

- Descriptions of each staff position, addressing, as appropriate, roles and responsibilities, relevant qualifications, salary range, and employee benefits;
- A description of the procedures for recruitment, selection and termination.

Review:

- Determine whether the Personnel Policies and Procedures have been issued to or made available to all organization employees.
- Determine that the provider organization has established written Personnel Policies and Procedures covering its employees.
- Ascertain whether these policies and procedures have been approved by the Governing Board and Policy Committee.
- Determine whether the Personnel Policies and Procedures have been issued to or made available to all organization employees.

Select, on a test basis, samples of employees Personnel Files and determine whether the written policies appear to be implemented. The review should include; Comparison of Salary levels, Employee Benefits, and reimbursement of official expenses to prescribed policies and procedures.

Review the Policies and Procedures to determine whether the following required items are contained therein:

- Staff Qualifications;
- Recruitment and Selection including information on background clearances;
- Classification of positions;
- Salary ranges and increases (including the basis of determining the amounts);
- Employee benefits (including leave, holidays, overtime, and fringe benefits);
- Expenses incidental to official duties (including travel and per diem);
- Staffing training, career development, and performance evaluation;

- Employee-management relations (including employee grievance procedures in the event of termination and other adverse actions);
- Employee conduct (including outside employment and acceptance of gifts and gratuities);
- Conflict of interest; and
- Nepotism policy.

Payroll Review

Since the payroll is generally the single largest item of expenditure for a given EarlyLearn provider organization, ACS requires that, during the course of the audit (in addition to the usual payroll audit procedures), the auditor must:

- On a surprise basis, select a sample and witness the distribution of the payroll checks. For provider organizations with 20 employees or less, the distribution and/or alternative procedures should include all employees.
- Select a sample and make surprise "Floor Checks" of persons charged to the program are physically accounted for. For provider organizations with 20 employees or less, the floor checks and/or alternative procedures should include all employees.
- Distribution of payroll checks and floor checks must be coordinated by the auditor with the work schedule of the organization. If the organization has employees reporting for work at different times of the day, the auditor must be present at the provider organization at the various times that the employees are scheduled to work.

The above procedures must be performed during the period under audit. It is not acceptable to perform the above procedures in the period after year-end. The report on internal control structure must contain a positive assertion that the above procedures were performed, including the date performed. If the above procedures cannot be performed, the Report on Internal Control Structure must contain a description of the alternative procedures performed. Some typical alternative procedures (not all-inclusive) include:

- Determining the existence of employees by physically meeting such individuals. The auditor should obtain a copy of the most recent payroll, review proper identification for all employees and have the said employees sign the register in an appropriate location to signify that the amount of the paycheck listed was the amount of pay as received by the employee.
- For payroll checks mailed directly to employees - Mail the payroll checks to employees in the auditor's envelope. Checks should remain under the auditor's control at all times and should not be returned to the organization for mailing or any other purposes. Post Office returns would then be received directly by the auditor for follow-up. When canceled checks are returned by the bank, compare the endorsements on the checks to the signatures in the Personnel Files.
- For direct deposit - Mail a letter along with the payroll stub (summary), to the employee, have the employee sign the letter that confirms that he or she is a bonafide employee of the organization and that the amount shown on the check stub was deposited into his or her account, and return the letter, in a postage paid envelope, to the auditor. The signatures on the letters are then compared to signatures in the personnel file.

In addition, the auditor should determine that all Quarterly and Annual Payroll Tax returns (941s, State Withholding Taxes, City Withholding Taxes, and State Unemployment Insurance) were properly filed and amounts due paid on a timely basis. Delinquency in filing or paying of payroll taxes for the sponsor (regardless of the program involved) must be disclosed in the report on compliance along with the amounts of any Penalties or Interest resulting from the delinquency.

Facilities

The provider organization's facilities (where the children are being served) should be safe. Review procedures should include ascertaining that the following documents and/or plans are present at the provider agency's facilities and that documents/plans meet the requirements set forth below.

- **Certificate of Occupancy**

Each provider organization must have a C. of O.

The Certificate of Occupancy is to include maximum allowable occupancies (e.g., EarlyLearn center), maximum number of people, and maximum floor load. The C. of O. must be posted in a place available to the public.

- **Certificate of Fitness**

Each provider organization must have a Certificate of Fitness from the Fire Department indicating that a current and regular staff member on the premises has pass a prescribed course in the operation of specific fire detection and prevention equipment (e.g., Interior Fire Alarms, if applicable). The Certificate of Fitness must be posted in a place available to the public.

- **Fire Evacuation Plan**

Each organization must have a complete Fire Evacuation Plan that includes the items specified below:

- The primary and alternative fire exits.
- The organization's physical layout.
- The order in which groups should leave the building.
- The destination of each group once outside.
- The responsibility of each staff person, including clerical, kitchen, and custodial staff.
- A fire evacuation plan must be posted in each classroom, office, and public bulletin board.
- Each classroom is to have written instructions for that room.
- Inside each room there must be a diagram indicating "You Are Here" and indicating the route to the primary exit.
- Fire Evacuation Plans must be posted throughout the building.

- **Fire Drill Log**

Each organization must have a fire drill log available that shows monthly entries including:

- Date.
- Time of Drill.
- Time needed to evacuate building.
- Problems (if any).
- Initials of person in charge.

- Interior Fire Alarm Testing Record

Each organization must have an interior Fire Alarm Testing Record available that shows daily entries including:

- Date
- Time of Testing
- Station Tested.

- Fire Inspection Report

Each organization must have a fire inspection report available that includes a check-off list from the Fire Department citing violations, if any.

- Security Plan

Each organization must have a complete security plan available that includes:

- Center opening procedures (including opening of fire exit doors)
- Center closing procedures (windows, etc.)
- Burglar alarm instructions, if appropriate
- Responsibility of staff/board for burglar alarm response, if appropriate
- Daytime access control measures
- Inventory control
- Key control
- Local Police, precinct address, telephone number.

Facilities, Material and Equipment

All equipment and/or furniture purchased with ACS funds is the property of the New York City Administration for Children's Services. The provider organization should maintain adequate records of equipment purchased. **Equipment** means tangible nonexpendable personal property including exempt property whose cost totals \$500 or more and having a useful life of more than one year. The records should show the acquisition date, serial number, costs, location, use of property and disposition if made, physical inventory of equipment is made at least once every two years. The provider organization has a procedure for obtaining bids for equipment costing \$500 per unit or more. If the provider organization has other funding sources which equipment is purchased with then in this case a separate record of this will be required.

The purpose of this review is to determine whether the organization maintains a property management system.

- Determine whether the organization maintained and ascertain account for equipment purchased by different funding sources.
- Ascertain whether the organization takes a physical inventory of equipment at least once every year and reconciles the result of the inventory with property records. Also, ascertain if a determination is made by the organization to verify the existence, current utilization, and continued need for the property.
- Determine whether differences between the property record balances and the physical inventory balances are investigated and reconciled.

- Determine whether the organization has established procedures for disposing equipment no longer necessary. Equipment purchased with ACS funds are property of the ACS, therefore any disposal of equipment must be approved by ACS. All proceeds, if any received, must be returned to ACS.
- Ascertain whether the following purchasing vs. lease decision criteria have been applied;
 - Equipment Purchase: When the total cost of leasing equipment, over the life of the lease contract, equals or exceeds the purchase cost, then the equipment must be purchased. The cost of such purchases should include, where available and appropriate, the cost of service contracts offered by the manufacturer and/or vendor.
 - Equipment Leasing: Equipment leasing is appropriate only when total lease costs do not equal or exceed the cost of purchasing. The equipment item, including the cost of maintaining the item. It is also appropriate when the equipment item is manufactured using a technology which is changing rapidly (e.g., computers and telephones).

Health, Child and Safety

The purpose of this review is to determine whether the provider organization has the required health documentation and materials specified below.

A health folder should be on file for each child enrolled in the program. On a test basis, select a sample of records for children participating in the organization program and determine whether:

- Individual health records are kept; and
- Health records contain the child's medical history, screening medical and dental examination date, evaluation of this material, and up-to-date information about treatment and follow-up

Ascertain whether there is evidence that the provider organization:

- Forwards, with parent consent, the health records to either the school or health delivery system or both, when the child leaves the program;
- Gives parents a summary of the records, which includes information on Immunization and follow up treatment;
- Ensures that parents are told the nature of the data to be collected, the users to which the data will be put, and that the uses will be restricted to the stated objectives.

Health Records & Pre-Hire Screening - Staff

A Health folder should be on file for all permanent staff and for substitutes and volunteer parents on the day of the audit. All permanent staff, substitutes and volunteer parents must also have documentation in their personnel file that indicates that they received background clearances **prior** to hire or working in the program.

Select a sample of records on the provider organization program and determine whether each folder for permanent staff and for substitutes and volunteer worker present on the day of the audit includes the following (no specific form is required):

Health-related:

- A statement from a licensed physician that a medical examination was performed within the last 12 months.
- A statement from a private physician or a Department of Health Chest Clinic that Tuberculin Screening was performed within the last 12 months as follows:
 - If test results were negative, no other action is required.
 - If a positive reaction was noted currently or in the past, then evidence must be present that chest x-ray was obtained.

Background Clearances:

- The Department of Investigation (DOI) Report (fingerprinting, review of records for criminal convictions and pending criminal actions)
- The State Central Clearance Registry Report (child abuse and maltreatment).

Food Service/Child Nutrition

The purpose of this review is to determine:

- A. Whether the number of meals and snacks served is consistent with the number of meals and snacks claimed for C.A.C.F.P. reimbursement.
- B. Determining that the number of meals and snacks served daily is properly recorded by:
 - Performing, on an unannounced basis, a count of the actual number of meals and snacks served on a given day.
 - Tracing the results of the above count to the daily written record of meals/snacks served.
- C. Determining that the following procedures are performed by the provider organization:
 - Menus are reviewed by the Nutritionist.
 - Menus are posted and dated.
 - Menus reflect food actually served.
 - Menus of meals actually served are on file.

There is a food protection certificate for either the person doing the cooking or assisting with the cooking in the center.

There is a thermometer installed in each food storage area and temperatures are within the ranges specifies below:

- Freezer: -5 degrees Fahrenheit to 5 degrees Fahrenheit
- Refrigerator: 35 degrees Fahrenheit to 45 degrees Fahrenheit
- Non-Refrigerator: 60 degrees Fahrenheit to 70 degrees Fahrenheit

- D. Determining that the number of meals and snacks served monthly, as recorded in the daily written record, agrees with the number as reported on the monthly C.A.C.F.P. Claim Form. *Definition of number of meals and snacks served: The number of children being served at the point of service.

Child and Adult Care Food Program (C.A.C.F.P.)

EarlyLearn programs receive direct funding from C.A.C.F.P. The Agreement states that the provider organization is entitled to receive a reimbursement rate per meal. Cash advanced should be considered as revenue only when C.A.C.F.P. has advised the provider organization to apply advances towards a reimbursement claim. C.A.C.F.P. is the prime source for food related costs. EarlyLearn will fund additional food and related costs if the following criteria are met:

- A. The provider organization is duly licensed.
- B. The desired Utilization which goal is 85%. However, provider organizations experiencing poor Utilization which is attributable to childhood diseases such as measles or chicken pox, should not be penalized. A provider organization with a utilization of 80%, and having a deficit in the CACFP Food Program, may have the deficit supplemented with EarlyLearn Funds. Utilization below 80% may **not** be supplemented with EarlyLearn Funds without prior approval from ACS.
- C. There are no Administrative Costs (e.g., Director of Fiscal Officer's salary, etc.) included in the C.A.C.F.P. Deficit.
- D. There are enough funds in the EarlyLearn Budget to pick-up the C.A.C.F.P. Deficit.

The provider organization should disclose ACS auditors any conditions that may adversely affect EarlyLearn funding (i.e., disallowed C.A.C.F.P. Costs, C.A.C.F.P. Collection Notices, Food Menu Violations, etc.) where an adverse condition exists, C.A.C.F.P. Deficiencies should be reported as Due from Sponsor:

C.A.C.F.P. revenues (on accrual basis) should normally not exceed related expenditures, based upon the operations of the EarlyLearn program. Where the auditor encounters revenues which exceed expenditures, he should determine that:

- Revenues have been properly recorded (i.e., advances are disclosed as liabilities);
- All related expenditures have been recorded against the revenue (i.e., accrual for all Unpaid food bills, allocation of salary and related fringe benefits costs for all food service personnel).

Cash advances should be considered as revenues only when C.A.C.F.P. has advised the EarlyLearn provider organization to apply the advances towards a reimbursement claim. Any excess of expenditures over reimbursements up to the unexpended budget amount is presented as "Due from ACS" as long as the criteria listed above (2a, b, c, & d) are met for the Deficiency of Revenue over the total unexpended budgeted amount, the Receivable is presented as "Due from Sponsor".

Prior year receipts from C.A.C.F.P. can be recorded as current year revenues only if the revenues have not been previously reported. Prior-Year receipts are recorded as current-year revenues, the amount and reason therefore should be appropriately disclosed in the Footnotes to the Financial Statements.

Obtain confirmation from C.A.C.F.P. of all amounts reimbursed, including the amount of the final reimbursement, if possible. If the final estimate cannot be confirmed, the auditor should; estimate the final reimbursement based on the final month's claim, and disclose in the footnotes to the Financial Statement; the amount of reimbursement estimated; The period covered by the estimate; The reasons for including the estimate in the audited Financial Statement.

Enrollment and Attendance

All EarlyLearn provider organizations must maintain its funded enrollment level. The organization's Enrollment should include 10% Handicapped Children, for Head Start only.

All EarlyLearn provider organizations, on a monthly basis, are required to submit the WES Enrollment System Attendance Reports to the *Early Childhood Education* Office. These reports are used to determine compliance with State and Federal Attendance and Enrollment Requirements. The objective of this review is to determine whether the enrollment and attendance information reported by the agencies to ACS EarlyLearn is reliable and supported by appropriate documentation.

The provider organization should maintain an average daily attendance of at least 85% of the funded enrollment. This percentage rate is considered the benchmark for best practice. If however, this percentage is not reached, the provider organization should document the reason and efforts made to attain the desired attendance. When the monthly average daily attendance rate in a center-based program falls below 85 percent, a provider organization must analyze the causes of absenteeism. The analysis must include a study of the pattern of absences for each child, including the reasons for absences as well as the number of absences that occur on consecutive days.

Review procedures, on a test basis, should include;

- A. Determining that the following procedures are performed by the provider organization:
 - Enrollment and attendance is recorded daily for each child enrolled in the program in a roll book, attendance sheet, or other source document.
 - Daily attendance is tallied on the monthly report for each eligible child enrolled in the program.
 - Determining that attendance, as recorded in the roll book, daily attendance sheet, or other source document, is properly supported by:
 - Performing, on an unannounced basis, a head count of children in attendance on a given day.
 - Tracing the results of the above head count to the attendance recorded for each child in the roll book, daily attendance sheet, or other source document.
- B. Determining that the provider organization is meeting enrollment and attendance requirements by comparing actual enrollment and attendance to levels per contract, to WES.

Compliance with Contracts, Laws and Regulations

In accordance with EarlyLearn Contract Appendix B, Article 4, Section 4.02 Personnel Requirements (page 21) a contractor should comply with the Living Law Provisions of Section §6-109 of the New York City Administrative Code for providing day care and head start services. The auditor guideline advises an auditor to refer only to Davis-Bacon Act not to NYC Comptroller requirements. It also may be audited on a spot check basis for the selected samples.

An auditor should determine whether a Contractor, In accordance with Public Assistance Hiring Commitment Rider, hired at least one Public Assistance Recipient for each \$250,000 in value of the agreement unless the exemption from all or part of the requirement was granted. See the page 26 of EL Contract.

In determining the nature, timing and extent of the audit steps and procedures to test for compliance, the auditor should assess the risk of non-compliance with laws and regulations occurring and having a direct and material effect on the financial statements. The auditor should assess the risk that the entity did not comply with, those laws and regulations, and the risk that the entity's control structure, to ensure compliance with laws and regulations might not prevent or detect that noncompliance.

Budget Compliance

The auditor should not conduct an audit without obtaining these documents. If the organization does not have copies of the program budget and/or contract, this fact, should be disclosed in the Compliance Report.

The auditor should ensure that a fully executed copy of the contract between ACS and the provider organization is on file at the organization. The contract is a standardized preprinted contract. The auditor should determine that the contract contains:

- The Commissioner's or the Deputy's signature, acknowledged by a notary;
- Authorized signature of an Board Member (preferably the Chairman of the Board) or authorized designee:
- The impressed Corporate Seal, also acknowledged by a Notary, and
- A complete copy of the organization's budget.

The organization should maintain an up-to-date budget with all modifications approved by the Board.

- a. The auditor is to ascertain that the provider organization has provided him/her with the original budget and all modifications to the original budget.
- b. The auditor will determine if the organization has policies and procedures on amending the organization's budget.

Universal Pre-Kindergarten

The first dollars expensed by the organization is charged against the Universal Pre-Kindergarten (UPK) Budget. All funding received from the UPK Program should be fully expensed. At the end of the program year a net asset (fund balance) in the UPK Budget should not exist. The auditor should determine if the provider organization is following these procedures.

Consumable Supplies

For significant amounts of inventory on hand at the end of the fiscal year, an inventory count should be conducted by the provider organization and observed by the auditor and the resultant quantities valued. The extended inventory value is then presented in the Statement of Financial Position. If excessive amounts of inventory are on hand as of the end of the organization's fiscal year, the auditor should consider questioning the expenditures that resulted in the inventory build-up as unreasonable

Payments

ACS will issue provider organizations a payment at the beginning of each month. Payment amounts are calculated using the provider agency's daily rates for each category multiplied by the eligible service day less any relevant offsets for a specific period or month. Rates are specific for contract age, eligibility category and service setting. Service days are defined as enrollment for center-based service settings or attendance for home-based service settings. Offsets include parent fees due for children whose eligibility category requires parent's contribution, and offsets for occupancy costs for usage of vacant classrooms in City Owned /Leased buildings not related to the contract.

- The Auditor is to confirm the number of slots a provider organization has under contract under EarlyLearn.
- The Auditor should review enrollment/attendance records in order to confirm what was submitted to ACS for payment.
- The auditor should compare the actual revenue received by ACS, compared to their actual expenses.
- Based on the above the auditor will determine if there are monies due to ACS or the provider organization.

Payments received by the provider organization must be confirmed. The most significant amount of program funding will be payments from ACS. The auditor is required to request a confirmation of payments from ACS's Fiscal Division, Child Care and Head Start Payment Unit. For prior-year programs, additional payments received during the current-year will also be included in the information confirmed by ACS to the auditor.

The auditor is required to confirm the amounts of payments received from other sources. These additional confirmations of payments, when appropriate should be sent to the appropriate address of the funders accompanied with a self-addressed, stamped envelope.

As with any receivable (prior-year or current-year), the collectability of the receivable should be evaluated and determined.

In addition, the auditor should be aware of billings submitted to both ACS and other funding sources for the same services rendered. On a test basis, the auditor should determine if the billings submitted by the organization for services required under the contract to ACS for payment are also submitted to another funding source for the same services rendered. Any such double billings should be disclosed in the Compliance Report.

Security Deposits

Due to the significance in some agencies of security deposits and the related interest income thereon and the potential for losing accountability for the asset, for all provider organizations, the auditor should confirm, with the holder of the deposit, all original deposit amounts, and additional deposit amounts and the Interest earned on the deposit(s). The amount of the deposit and related interest income should be reflected in the financial statements of the organization.

Inter-Organization/Inter-Program and Inter-Year Loan

The provider organization is prohibited from making inter-year or inter-program loans. The provider organization is required to liquidate liabilities within 90 days after the end of the fiscal year. If a provider organization has any loans outstanding as of the audit date or made and liquidated loans during the audit period; the auditor should ascertain the nature and purpose of the transaction(s) and include an explanation of the transaction(s) in the Compliance Report. Disclosures of the loans in the financial statements alone is not sufficient. In addition, even if the loan is made and paid back during the audit period, it should be disclosed in the Compliance Report.

Political Activity

Federal funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of federally-assisted programs. (Hatch Act (5 USC 1501-1508) and Intergovernmental personnel Act of 1970 as amended by Title VI of Civil Services Reform Act (PL 95-454 Section 4728).

Suggested Audit Procedures:

- Test the expenditure and related records for indications of lobbying activities, publications or other materials intended for influencing legislation or similar type costs.
- Test the personnel and payroll records and identify persons whose responsibilities or activities include political activity.
- Test whether the above costs, if any exist, are charged directly or indirectly, to ACS's funds.

Davis – Bacon Act

All laborers and mechanics employed by provider organizations or sub-contractor to work on construction projects financed by federal assistance must be paid wages not less than those established for the locality of the project by the Secretary of Labor. {40 Stat 1494, March 3, 1921, Chap. 411.40 USC 276A-276A-5}

Suggested Audit Procedures:

- Identify construction activities.
- Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.
- Review the organization's system for monitoring applicable provider organizations and with respect to payment of prevailing wages and evaluate for adequacy.
- View the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

Civil Rights

- No person shall, on the grounds of Race, Color, National Origin, Age or Handicap, be excluded from participation in or be subject to discrimination in any program or activity funded, in whole or in part, by federal funds.
- Discrimination on the basis of Sex or Religion is also prohibited in some federal programs (Age- 42 USC 6101 et seq.; race –42 USC 2000d; handicap-29 USC 794.)
- Determine whether the provider organization has a formal policy of Non- discrimination.
- For provider organization's employing 15 or more persons, ascertain whether a person has been designated to oversee Civil Rights Compliance.
- Ascertain whether any of the programs contain prohibitions against discrimination on the basis of Sex or Religion.
- Ascertain the number of complaints, if any, filed with federal, state and or local agencies responsible for ensuring non-discrimination in government programs during the fiscal year, the status of unresolved complaints or investigations and the actions taken on resolved complaints or completed investigations.
- Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

Cash Management

Provider organization financial management systems shall include procedures to minimize the time elapsed between the transfer of funds from the ACS or other funding sources and the disbursement of funds by the organization.

Suggested Audit Procedures

- Review the provider organization's cash forecasting process and evaluate for adequacy.
- Review the provider organization's system for tracking funds and evaluate whether it is adequate to keep cash disbursements limited to the organization's immediate needs.
- Determine dates and amounts for recipients of funds and compare to the dates the funds were disbursed and/or checks were presented to the banks for payments.
- Evaluate the size of the balances in relation to the program's needs.

Questioned Costs

One result of the audit is questioned costs, which represent those expenditures that are not in accordance with the contract agreement or OMB Circular A-87 and 2 CFR Part 225. The auditor should develop an understanding of the requirements of these documents. The criteria (not all-inclusive) for questioned costs include the following:

- Specific Disallowable Costs: These costs are specifically identified by law, rule, or regulation, or the terms and conditions of the contract as disallowable. Items usually included in this category are;
 - Bad debts
 - Contingencies
 - Cost of options to employees to purchase stock of the organization
 - Entertainment
 - Bond Costs, unless specifically required
 - Fines and penalties
 - Contributions and donations
 - Interest
 - Dividend payment to stockholders, partners, or sole proprietors of the provider organization
 - Under-Recovery of Costs from prior or other grants; and

Unreasonable Costs: Costs not specifically disallowable or insupportable, but not reflecting an action a prudent person would have taken under the conditions that existed at the time the decision incur the cost was made, are unreasonable costs. Some examples are as follows:

- Purchasing six months of any supply and materials during the last six months of the fiscal year. Renting luxury automobiles rather than lower-priced models; and purchasing expensive equipment needed for a short period instead of leasing it.

Allocability: When allocating costs, the costs should be assigned to a particular object or class of program according to the benefits received or some other equitable relationship, and;

- Be incurred specifically for the contract;
- Be necessary to the overall operations of the provider organization even if a direct relationship to any particular class or program cannot be shown;
- Benefit the contract and other programs;
- Be distributed in reasonable proportion to the benefits received; not be matched to another funded program; and
- Not be allocated in total to the grant when the costs also directly benefit other grant programs.

Documentation: The documentation should support all costs, as appropriate. Typically, deficient documentation occurs because of a lack of:

- Time and attendance records, invoices, etc.;
- Written contracts with consultants and/or sub-contractor organizations;
- Proper authorization to incur costs or to disburse monies; and/or
- Support for the recording of non-federal contributions (e.g., Contributed Services).

Propriety: The Federal and State Government and City of New York do not want to support violations of public policy. The following costs are considered unallowable:

- Kickbacks
- Fines and penalties resulting from violations of the law; and
- Personal injury compensation.

Follow-Up on Prior-Period Audit Reports

The auditor should review the prior-period audit report and determine the status of implementation and/or correction of prior compliance and internal control structure reported findings. Resolution of all prior-period audit findings should be determined and commented on in the appropriate compliance or internal control structure section of the audit report.

If previously missing documentation is subsequently provided by the organization, this fact should be stated in the audit report for findings corrected, the auditor should state in the finding and that the situation was corrected. For prior-period findings not corrected or partially implemented, the auditor should repeat the finding in the current period report on compliance or internal control structure and any progress toward implementation. In addition, unresolved prior-period findings should be specifically identified in the prior-period section of the reports on compliance and internal control structure. Therefore, the reports on compliance and internal control structure should be divided into current-period' and 'prior-period' comments.

The resolution of prior-period questioned costs should be determined and reported upon in the 'prior-period' follow-up section of the compliance report.

Prior-Year Balances

The auditor should ascertain and substantiate the details of all prior-year balances as of the beginning and end of the current period. The auditor should audit changes in prior-year balances during the current period and verify for any additions or deletions to the supporting documentation. Prior-year balances remaining at the end of the current year must be included in the current-year financial statement and are covered by the auditor's opinion on the financial statements.

The collectability of prior-year accounts receivable should be reviewed and the efforts to collect the determined. A lack of effort by the organization to collect significant receivable should be disclosed in the compliance report.

The auditor should determine the status of the previous-year accounts payable as of the end of the current-year fieldwork. Previous-year accounts payable, which is still outstanding as of the end of the current-year fieldwork, should be indicated in the accounts payable note.

Reporting Errors, Irregularities and Illegal Acts

The auditor should design audit steps and procedures to provide reasonable assurance of detecting errors, irregularities and illegal acts that could have a direct and material effect on the financial statement amounts. The auditor should also be aware of the possibility of illegal acts that could have an indirect and material effect on the financial statements. Illegal acts and irregularities include such matters as conflicts of interest, falsification of records or reports and misappropriation of funds or other assets.

Competitive Bidding

The auditor should ascertain that the competitive bidding requirements, as required by the contract, are being followed by the provider organization. These requirements usually apply to purchases of equipment, rentals and food supplies.

Registration and Reporting Requirements

Ascertain, whether the provider organization had complied with Federal and State reporting requirements, as well as the payroll reports. Federal and State reporting requirements include the timely filing of the following forms:

- Federal Form 990, Return of Organization Exempt From Income Tax;
- New York State Form 500, Annual Report- Charitable Organization;
- NYCF-1, Registration of Charitable Trust or Charitable Corporation; and
- NYCF2A, Annual Report of Charitable Organization

In addition, the auditor should determine if the organization is in compliance with the New York State Abandoned Property Law with regard to undelivered disbursement checks (payroll as well as all other checks). Any exceptions to the above should be reported in the Auditor's Report on Compliance.

Part II. Section 4.3: Auditor's Report on Internal Control and Findings

Internal Controls are to be an integral part of any organization's financial and business policies and procedures. Internal controls consists of all the measures taken by the provider organization for the purpose of; (1) protecting its resources against waste, fraud, and inefficiency; (2) ensuring accuracy and reliability in accounting and operating data; (3) securing compliance with the policies of the organization; and (4) evaluating the level of performance in all organizational units of the organization.

The auditor's objective in an examination of internal control is to form an opinion on the effectiveness of the entity's internal control. Because an entity's internal control cannot be considered effective if one or more material weaknesses exist, to form a basis for expressing an opinion, the auditor should plan and perform the examination to obtain sufficient appropriate evidence to obtain reasonable assurance about whether material weaknesses exist as of the date specified in management's assertion. A material weakness in internal control may exist even when financial statements are materially misstated. The auditor is not required to search for deficiencies that, individually or in combination, are less severe than a material weakness.

An auditor may perform an examination of internal control only if the following conditions are met:

- a. Management accepts responsibility for the effectiveness of the entity's internal control.
- b. Management evaluates the effectiveness of the entity's internal control using suitable and available criteria.
- c. Management supports its assertion about the effectiveness of the entity's internal control with sufficient appropriate evidence.
- d. Management provides its assertion about the effectiveness of the entity's internal control in a report that accompanies the auditor's report.

The examination of internal control should be integrated with an audit of financial statements. Although the objectives of the engagements are not the same, the auditor should plan and perform the integrated audit to achieve the objectives of both engagements simultaneously.

In some circumstances, particularly in some audits of smaller, less complex entities, the auditor might choose not to test the operating effectiveness of controls for purposes of the audit of the financial statements. In such circumstances, the auditor's tests of the operating effectiveness of controls would be performed principally for the purpose of supporting his or her opinion on whether the entity's internal control is effective as of period-end. The auditor should consider the results of the financial statement auditing procedures in determining his or her risk assessments and the testing necessary to conclude on the operating effectiveness of a control.

The auditor should focus more attention on the areas of highest risk. A direct relationship exists between the degree of risk that a material weakness could exist in a particular area of the entity's internal control and the amount of attention that would be devoted to that area. In addition, an entity's internal control is less likely to prevent, or detect and correct a misstatement caused by fraud than a misstatement caused by error. It is not necessary to test controls that, even if deficient, would not present a reasonable possibility of material misstatement to the financial statements.

The auditor should use a top-down approach to the examination of internal control to select the controls to test. A top-down approach involves:

- Beginning at the financial statement level;
- Using the auditor's understanding of the overall risks to internal control;
- Focusing on entity-level controls;
- Working down to significant accounts and disclosures and their relevant assertions; and the controls to test, not necessarily the order in which the auditor will perform the examination procedures.
- Directing attention to accounts, disclosures, and assertions that present a reasonable possibility of material misstatement to the financial statements and related disclosures;
- Verifying the auditor's understanding of the risks in the entity's processes; and
- Selecting controls for testing that sufficiently address the assessed risk of material misstatement to each relevant assertion.

Listed below is the checklist of areas the auditor should review and answer yes, no, not sure or not applicable to each question. Where the response is no, a finding should be indicated and a corrective action should be formulated to correct this finding.

All provider agencies' audit reports must contain a report: on organization's Internal Control Structure. This report is to be based on the understanding of the Internal Control Structure made as part of the audit of the organization's financial statements under the requirements of SAS No's 55, 60 and 63 and the GAO Yellow Book. Auditors are to prepare a written report on their understanding of the organization's Internal Control Structure and the assessment of control risk made as part of a financial statement audit. The auditor's report should include as a minimum: (1) the scope of the auditor's work in obtaining an understanding of the Internal Control Structure and in assessing the control risk, (2) The entity's significant Internal Controls or Control Structure including the controls established to ensure compliance with laws and regulations that have a material impact on the financial statements, and (3) the reportable conditions, including the identification of material weaknesses, identified as a result of auditor's work in understanding and assessing the control risk. Listed below are the areas that the organization should also review:

CHECKLIST

Cash Receipts

1. Are checks endorsed "for deposit only" immediately upon receipt?
2. Does someone prepare a daily list of all cash and checks immediately upon receipt?
3. Are duplicate deposit slips and copies of checks retained in the files?
4. Is the person who has custody of actual cash and checks different from the person recording them and acknowledging them in case of contributions?
5. Are all cash and checks deposited intact and on a timely basis?
6. Are restricted contributions clearly identified and recorded as restricted on the general ledger?
7. Is all cash received, counted and verified by two employees?
8. When events involve admission fees, does the agency issue pre-numbered tickets, with a record of tickets printed, issued, used and unused, which is then compared to funds deposited?
9. Does the provider organization send acknowledgements to contributors and are copies of or record of such acknowledgements kept on file?

Cash Disbursements

10. Are all disbursements, except those from petty cash, made by pre-numbered checks?
11. Are void checks preserved and filed after appropriate mutilation?
12. Is there a written prohibition against issuing checks payable to "cash"?
13. Is there a written prohibition against signing checks in advance?
14. Is a cash disbursement voucher prepared for each invoice or request for reimbursement that details the description of expense account to be charged and contains authorization signature and accompanying receipts and/or vendor invoices?
15. Are all expenses approved in advance by authorized persons?
16. Do the check signors review supporting documentation of expenses and approvals at the time of signing checks?
17. Are signed checks mailed promptly?
18. Are paid invoices marked paid or attached to a copy of the check prior to filing?
19. Are requests for reimbursement checked for mathematical accuracy and reasonableness before approval?
20. Is check-signing authority vested in persons at appropriately high levels in the organization who do not have any accounting responsibility?
21. Do checks require two signatures?
22. Are bank statements and cancelled checks received and reviewed by a person independent of the accounting functions?
23. Are unpaid invoices maintained in an unpaid invoice file?
24. Is a list of unpaid invoices regularly prepared, reviewed and compared to those invoices in the unpaid invoice file?
25. If purchase orders are used, are all purchases supported by a pre-numbered purchase order?
26. Are advance payments to vendors and/or employees recorded as receivables and controlled in a manner which assures that they will be offset against invoices or expense vouchers?
27. Are employees required to submit expense reports for all travel related expenses on a timely basis?

Petty Cash

28. Is an imprest petty cash fund maintained for payment of small, incidental expenses?
29. Does the provider organization follow a policy limiting the amount that can be reimbursed by the petty cash fund?
30. Is supporting documentation required for all petty cash disbursements?
31. Is a petty cash voucher filled out with supporting documentation, name of person being reimbursed, and proper authorization?
32. Is access to petty cash limited to one person who is the fund custodian?
33. Are unannounced counts of petty cash made by someone within the organization other than the fund custodian?

Payroll

34. Are time sheets required documenting employee hours, overtime and what activity the employee worked on?
35. Are time sheets signed by employees and reviewed and signed by their immediate supervisors?
36. Are employment records maintained for each employee that detail wage rates, benefits, tax rates, and other pertinent information?
37. Are withheld employment taxes and employer taxes paid on a timely basis to the taxing authorities?
38. Do written policies and procedures exist for accounting for vacations, holidays, sick leave, and other benefits?

Fixed Assets

39. Does the provider organization have a capitalization and depreciation policy?
40. Are additions to fixed assets recorded in a fixed asset ledger?
41. Does the fixed asset ledger list description of each item, serial number, location, date of acquisition, cost or fair value if donated, useful life, depreciation method, accumulated depreciation and funding source if funds were provided by a funding source with restrictions on disposition of assets?
42. Is the fixed asset ledger reconciled with the general ledger periodically?
43. Are purchase, transfer and disposal of fixed assets promptly recorded in the ledger?
44. Does the provider organization conduct a physical inventory annually and update the fixed asset and the general ledgers?

Financial Statements

45. Are the Financial Statements prepared monthly and reviewed by the management and the finance committee?
46. Are monthly reports comparing income and expenses with approved budget by activity and for the organization as a whole prepared and reviewed by the management and the finance committee?
47. Is an updated cash flow projection prepared and reviewed by the management and the finance committee?

General Area

48. Is a chart of accounts used?
49. Does the chart of accounts provide for tracking expenses by activity?
50. Does the chart of accounts provide for tracking direct and indirect expenses if the organization receives federal funds?
51. Does the chart of accounts provide for tracking unallowable costs if the provider organization expends federal funds?
52. Are accounting and program staff knowledgeable about all fund source rules, regulations and requirements?
53. Is fund accounting used to track restricted grants and the spending related to them?
54. Are accounting records up to date, and monthly financial statements prepared on a timely basis (timely being defined as 10 days to 3 weeks maximum)?
55. Does the board of directors approve the annual budget?
56. Does an accounting procedure and policies manual exist that is reviewed and revised annually?
57. Do accounting staff take annual vacation and are their basic duties performed by someone else in their absence?
58. Are all appropriate federal, state, and local information returns filed on a timely basis?

Part II. Section 4.4: Schedule of Findings

The auditor shall report the following as audit findings in a schedule of findings and questioned costs:

- Significant deficiencies in internal control. The auditor's determination of whether a deficiency in internal control is a significant deficiency for the purpose of reporting an audit finding is in relation to a type of compliance requirement.
- Material non-compliance with the provisions of laws, regulations, contracts, or grant agreements. The auditor's determination of whether a noncompliance with the provisions of laws, regulations, contracts, or grant agreements is material for the purpose of reporting an audit finding is in relation to a type of compliance requirement.
- If a cost is questionable it should not be limited by an amount.
- Audit findings must be presented in sufficient detail for the auditee to prepare a corrective action plan. The following specific information shall be included, as applicable, in audit findings:
 - The criteria or specific requirement upon which the audit finding is based, including statutory, regulatory, or other citation.
 - The condition found, including facts that support the deficiency identified in the audit finding, prevalence and consequences of the audit findings, such as whether the audit findings represent an isolated instance or a systemic problem. Where appropriate, instances identified shall be related to the universe and the number of cases examined and be quantified in terms of dollar value. Identification of questioned costs and how they were computed.
 - Recommendations to prevent future occurrences of the deficiency identified in the audit finding and reflected in the Corrective Action Plan.
 - Views of responsible officials of the auditee when there is disagreement with the audit findings, to the extent practical.
 - Reference numbers for each audit finding in the schedule of findings and questioned costs shall include a reference number to allow for easy referencing of the audit findings during follow-up.

Audit Findings Follow-Up

The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee shall prepare a summary schedule of prior audit findings. The auditee shall also prepare a corrective action plan for current year audit findings. The summary schedule of prior audit findings and the corrective action plan shall include the reference numbers the auditor assigns to audit findings. Since the summary schedule may include audit findings from multiple years, it shall include the fiscal year in which the finding initially occurred.

When audit findings were fully corrected, the summary schedule need only list the audit findings and state that corrective action was taken. When audit findings were not corrected or were only partially corrected, the summary schedule shall describe the planned corrective action as well as any partial corrective action taken. When corrective action taken is significantly different from corrective action previously reported in a corrective action plan this needs to be reported to ACS and the provider agency must provide an explanation for the change.

When the auditee believes the audit findings are no longer valid or does not warrant further action, the reasons for this position shall be described in the summary schedule. A valid reason for considering an audit finding as not warranting further action must be provided.

Part II. Section 4.5: Corrective Action Plan on Findings

At the completion of the audit, the auditee shall prepare a corrective action plan to address each audit finding included in the current year auditor's reports. The corrective action plans shall provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned milestones, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan shall include an explanation and specific reasons for the disagreement.

PART III: RELEVANT EXHIBITS, SCHEDULES AND ATTACHMENTS

Exhibit I

AUDIT ENGAGEMENT LETTER

Exhibit I

CPA FIRM'S LETTERHEAD

AUDIT ENGAGEMENT LETTER (Illustrative)

1. This letter sets forth our understanding of the terms and objectives of our engagement, the nature and scope of the services we will provide, including the various reports and schedules required, the related fee arrangement, and timetable for delivery of the audit reports.
2. We will audit the organization's financial statements as of and for the year ended (date), in accordance with generally accepted auditing standards established by the American Institute of Certified Public Accountants, the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (January 2012 Revision).
3. As part of our audit, we will consider the organization's internal control structure and assess control risk, as required by generally accepted auditing standards, for the purpose of establishing a basis for determining the nature, timing, and extent of auditing procedures necessary for expressing our opinion concerning the financial statements, and not to provide assurance on the internal control structure. The management of (NAME OF ORGANIZATION) is responsible for establishing and maintaining an internal control structure. To fulfill this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs for internal control structure policies and procedures. The objectives of an internal control structures are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against from unauthorized use of disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of its inherent nature, errors and irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure of future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Exhibit I: Audit Engagement Letter (Cont'd)

4. We will prepare a separate written report on our understanding of the organization's internal control structure and the assessment of control risk made as part of the financial statement audit. Our report will include:
 - a. The scope of our work in obtaining an understanding of the internal control structure and in assessing the control risk;
 - b. The organization's significant internal controls or control structure, including the controls established to ensure compliance with laws and regulations that have a material impact on the financial statements; and
 - c. The reportable conditions, including the identification of material weaknesses found as a result of our work in understanding and assessing the control risk. As required by OMB Circular A-133, we will also prepare a written report on our understanding, assessment, and testing of the internal control structure as it relates to major federal award programs.
5. Our audit will include procedures designed to provide reasonable assurance of detecting errors and irregularities that are material to the financial statements. As you are aware, however, there are inherent limitations in the auditing process. For example, audits are based on the concept of selective testing of the data being examined and are, therefore, subject to the limitation that such matters, if they exist, may not be detected. Also, because of the characteristics of irregularities, including attempts at concealment through collusion and forgery, a properly designed and executed audit may not detect a material irregularity.
6. Similarly, in performing our audit, we will be aware of the possibility that illegal acts may have occurred. However, it should be recognized that our audit provides no assurance that illegal acts having a direct and material effect on the determination of financial statements amounts will be detected.

Exhibit I: Audit Engagement Letter (Cont'd)

7. Compliance with laws, regulations, contracts, and grants applicable to (NAME OF ORGANIZATION) is the responsibility of name of organization's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of (NAME OF ORGANIZATION'S) compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective is not to provide an opinion on overall compliance with such provisions.

The auditor's report on Compliance which shall state that the auditor has performed tests of the agency's compliance with certain provisions by laws, regulations and the contract, non-compliance with which could have a direct material effect on the determination of financial statement amounts.

8. As required by Government Auditing Standards, we will prepare a separate written report on our tests of compliance with applicable laws and regulations. This report will contain a statement of positive assurance on those items not tested, and a description of all material instances of noncompliance.
9. At the conclusion of the engagement, (NAME OF ORGANIZATION'S MANAGEMENT) will provide to us a representation letter that, among other things, will confirm management's responsibility for the preparation of the financial statements in conformity with generally accepted accounting principles, the availability of financial records and related data, compliance with provision of laws, regulations, contracts, and grants that govern federal programs, the completeness and availability of all minutes of board of directors (and committee) meetings, and the absence of irregularities involving management or those employees who have significant roles in the control structure.
10. We understand that our reports on the internal control structure as part of the financial audit and on compliance with laws and regulations are intended for the information of the audit committee, management, and other within (name of organization) and (specify Fiscal Year legislative or regulatory body).
11. All ACS required schedules will be completed and submitted with the audit.

Exhibit I: Audit Engagement Letter (Cont'd)

12. Our fees for the audit will be (DESCRIBE FEE ARRANGEMENT). Final cost will be based upon the actual work performed, by number of hours and rate for each level of staff. We anticipate completing the engagement by (DESCRIBE TIMETABLE), unless unexpected factors are encountered. This timetable has been discussed with and agreed to by your ORGANIZATION, which will provide assistance to us in the audit. Should circumstances prevent (NAME OF ORGANIZATION), from providing this assistance, our timetable and fee are likely to be affected. (On fixed-fee engagements), the auditor may include wording indicating that he or she may have to revise the fee estimate and timetable for unexpected factors of which he or she becomes aware after the engagement has begun.)
13. We shall retain our work papers for a period of six (6) years after delivery of the final audit report for the Fiscal Year(s) mentioned in this Audit Engagement Letter, and shall make the work papers available or submit them to the organization, the Administration for Children's Services (ACS), New York ACS/EarlyLearn Funds and the New York City Comptroller's Office upon request.
14. All Audit Reports required by this engagement shall be subject to the review and approval of the Organization. Audit reports not in compliance will not be accepted until all audit requirements are met. We will be required to correct or otherwise revise or adjust any report that the organization or ACS deems necessary within the terms of the signed Audit Engagement Letter. Under no circumstances will additional audit fees be allowed for amending, revising or correcting the audit report. **Acceptance of all audit reports shall be a prerequisite to final payment of audit fees by the Organization.**
15. We can demonstrate that we carry liability insurance not less than one million (\$1,000,000) dollars per occurrence to protect the Organization, ACS, and the City of New York against any and all claims, loss or damage, whether in contract or tort, including claims for injuries to, or death of persons, or damage of property.
16. All audit engagement letters should be in by **Friday, February 7, 2014.**
17. All audit reports are due by **Wednesday, April 30, 2014.**

Exhibit I: Audit Engagement Letter (Cont'd)

NAME OF CPA AUDIT FIRM

Date

Signature

Print Name and Title

ACCEPTED BY:

Signature

Print Name and Title

Date

Name of Organization

Exhibit II

AUDIT FIRM PROFILE

Exhibit II

CPA FIRM'S LETTERHEAD

AUDIT FIRM PROFILE

To: _____
(Sponsoring Organization)

Re: _____ **Fiscal No.** _____
(Child Care EarlyLearn Program, if more than one, attach a listing)

Dear Sir(s):

In connection with the proposal to perform an audit for year ended June 30, 2013 of the "EarlyLearn" program (s) above, we are submitting the following data about our firm:

1. Name, Address and Telephone Number of contact person:

2. Indicate "Yes" or "No"

If 2a or 2b is "Yes" goes to #4. If 2c is, "Yes" go to #3.

- a. I am a Sole Proprietor _____
- b. We are a Partnership _____
- c. We are a Corporation _____

3. a. Type of Corporation: _____

b. Date and State of Incorporation Date _____

State _____

Exhibit II: Audit Firm Profile (Cont'd)

- c. If not a Domestic Corporation, attach a copy of a Certificate of Authority issued by the Secretary of State of New York.

Attached: _____

- d. The name, business address and signature of each officer of the Corporation authorized to act on behalf of the Corporation in connection with this Proposal is as follows:

Name and Title _____

Business Address _____

Signature _____

4. The name, business address and signature of the Sole Proprietor, Managing Partner or a Partner authorized to act on behalf of the Firm in connection with this Proposal is as follows:

Name and Title _____

Business Address _____

Signature _____

5. I/We (do) _____ (do not) _____ conduct business under a trade name. Our Certificate of Business is filed in _____, County of _____, State _____.

If Certificate of Business is filed outside New York City, attach a certified copy thereof.

Attached _____

6. I/We employ a total of _____ persons, including _____ Professional Staff (CPAs).

7. I/We (have) _____ (have never) _____ submitted a bid or proposal to do business with the City of New York (or one of its contracting entities such as a "EarlyLearn" sponsoring organization) under a different name. If "have" is checked, attach list of contracts or subcontracts and name under which it was submitted.

Exhibit II: Audit Firm Profile (Cont'd)

8. I/We (have) _____ (do not have) _____ an outstanding bid or proposal for contracts with the City of New York (or one of its contracting entities such as a “EarlyLearn” sponsoring organization). If "have" is checked, attach a list of the bids and/or proposals.

9. I/We (have) _____, (do not have) _____ a current contract award from the City of New York or one of its contracting entities such as a “EarlyLearn” sponsoring organization. If “have” is checked, list contract (s).

10. Is your firm on the list of New York City Comptroller’s “Pre-qualified CPA List”?
Yes _____ No _____

11. I/We do hereby certify fiscal year that this engagement will present NO conflict of interest for our organization and that there are no adverse ethical concerns connected with same.

12. If I/we am/are selected by your Organization as Auditor (s) for the aforementioned “EarlyLearn” Program and audit period, I/we will immediately notify your Organization and of any development, prior to the date that a *Contract to Perform a EarlyLearn Audit* is to be executed, or during the term of the contract, which makes untrue or incomplete any of the above statements.

Exhibit II: Audit Firm Profile (Cont'd)

13. I affirm under penalty of perjury that the information provided above is to the best of my knowledge, complete, accurate and true.

For Corporation Signature

By _____

(Name and Title of Authorized Officer)

**For Sole Proprietorship/
Partnership**

By _____

(Name of Owner or Authorized Partner)

Dated: _____, 201 ____.

(Please make sure that this Profile is duly signed and dated)

Send One (1) copy to:

Administration for Children's Services
Division of Financial Services
EarlyLearn Program, *Your ACS Budget Analyst's Name Goes Here*
150 William Street, 10th Floor
New York, New York 10038

Exhibit III

ILLUSTRATIVE EARLYLEARN AUDIT REPORT

Exhibit III

Illustrative EarlyLearn Audit Report

The following Illustrative Auditor's Report demonstrates most of the reporting requirements described in the previous mentioned requirements.

EARLYLEARN PROVIDER ORGANIZATION NAME

ADDRESS_____

PHONE NUMBER_____

BUDGET ID# XXXXX

FINANCIAL STATEMENTS

BUDGET PERIOD – OCTOBER 1, 2012 TO JUNE 30, 2013

AUDIT PERIOD – OCTOBER 1, 2012 TO JUNE 30, 2013

STARTING DATE OF AUDIT – month/date, 20XX

ENDING DATE OF AUDIT – month/date, 20XX

Audit Firm

Exhibit III: Illustrative EarlyLearn Audit Report (Cont'd)

EARLYLEARN ORGANIZATION'S NAME

BUDGET I.D. # XXXX

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Schedule 3: Statement of Head Start Revenues and Expenditures Budgeted and Actual: Consolidated

Schedule 4: Statement of Head Start Revenues and Expenditures Budgeted and Actual: Site Specific

Schedule 5: Schedule of Consultants

Schedule 6: Schedule of Fixed Assets Inventory

Schedule 7: Schedule of Quantitative Program Results

Schedule 8: Schedule of Renovation

Schedule 9: Detailed Explanation of Questioned Costs

The following additional Schedules are required, where applicable:

In lieu of the Schedule of Miscellaneous Expenditures in excess of \$100, a Schedule of Other Expenditures should be included containing the following cost categories where applicable:

- Telephone
- Utilities
- Uniform Allowance
- Maintenance and Repair
- Local Transportation-Staff
- Local Transportation-Children
- Postage
- Field Trips
- Rental of Equipment
- Service Contracts
- Insurance (for Automobiles)
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- Miscellaneous (minor dollar accounts)

Exhibit III: Illustrative EarlyLearn Audit Report (Cont'd)

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Schedule 1

**STATEMENT OF REVENUES AND EXPENDITURES
BUDGETED & ACTUAL
CONSOLIDATED**

<div> <div>EARLY LEARN PROGRAM NAME _____</div> <div>CONSOLIDATED</div> <div>STATEMENT OF REVENUES AND EXPENDITURES-BUDGETED & ACTUAL</div> <div>FOR PERIOD ENDED / /2013</div> </div>															
BUDGET CATEGORIES	ACS FUNDED										NOT ACS FUNDED				DEPRECIATION
	Budget	Actual									Actual				
	EARLY LEARN	Child Care	Child Care UPK	FCCN	Head Start	Head Start UPK	CTL	TOTAL EARLY LEARN	VARIANCE Favorable (Unfavorable)	Questioned Costs	CACFP	IN-KIND CONTRIBUTION (Head Start)	SPONSOR'S CONTRIBUTION (Other than Head Start)	OTHER FUNDING SOURCE	
REVENUE:															
Early Learn Revenue								-	-						
Other Revenue (disability, interest, etc.)								-							
CACFP								-							
IN-KIND CONTRIBUTION								-							
SPONSOR'S CONTRIBUTION								-							
OTHER FUNDING SOURCE REVENUE								-							
Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:															
Personnel Cost															
Salaries								-	-						
FICA								-	-						
Unemployment Insurance								-	-						
Pension								-	-						
Welfare Fund								-	-						
Health Insurance								-	-						
Substitutes								-	-						
Total Personnel Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities Cost															
Rent & Property Taxes								-	-						
Utilities								-	-						
Maintenance and Repairs								-	-						
Capital Expenditures & Renovations								-	-						
Other Facilities Costs								-	-						
Total Facilities Cost							-	-	-	-	-	-	-	-	-
Family Child Care Stipends								-	-	-					
OTPS Cost															
Supplies									-						
Equipment under \$5,000									-						
Training									-						
Parent Services									-						
Consultants									-						
Other									-						
Total OTPS Cost							-		-	-	-	-	-	-	-
Total Early Learn Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Not ACS Funded Cost															
CACFP															
IN-KIND CONTRIBUTION (Head Start)															
SPONSOR'S CONTRIBUTION (Not Head Start)															
OTHER FUNDING SOURCE															
Total Not ACS Funded Cost										-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule 2

STATEMENT OF REVENUES AND EXPENDITURES BUDGETED & ACTUAL

SITE SPECIFIC

One For Each Site

EARLY LEARN PROGRAM NAME _____															
SITE SPECIFIC															
STATEMENT OF REVENUES AND EXPENDITURES-BUDGETED & ACTUAL															
FOR PERIOD ENDED _____															
BUDGET CATEGORIES	ACS FUNDED										NOT ACS FUNDED				DEPRECIATION
	Budget	Actual									Actual				
	EARLY LEARN	Child Care	Child Care UPK	FCCN	Head Start	Head Start UPK	CTL	TOTAL EARLY LEARN	VARIANCE Favorable (Unfavorable)	Questioned Costs	CACFP	IN-KIND CONTRIBUTION (Head Start)	SPONSOR'S CONTRIBUTION (Other than Head Start)	OTHER FUNDING SOURCE	
REVENUE:															
Early Learn Revenue								-	-						
Other Revenue (disability, interest, etc.)								-							
CACFP								-							
IN-KIND CONTRIBUTION								-							
SPONSOR'S CONTRIBUTION								-							
OTHER FUNDING SOURCE REVENUE								-							
Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:															
Personnel Cost															
Salaries								-	-						
FICA								-	-						
Unemployment Insurance								-	-						
Pension								-	-						
Welfare Fund								-	-						
Health Insurance								-	-						
Substitutes								-	-						
Total Personnel Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities Cost															
Rent & Property Taxes								-	-						
Utilities								-	-						
Maintenance and Repairs								-	-						
Capital Expenditures & Renovations								-	-						
Other Facilities Costs								-	-						
Total Facilities Cost							-	-	-	-	-	-	-	-	-
Family Child Care Stipends								-	-	-					
OTPS Cost															
Supplies									-						
Equipment under \$5,000									-						
Training									-						
Parent Services									-						
Consultants									-						
Other									-						
Total OTPS Cost							-	-	-	-	-	-	-	-	-
Total Early Learn Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Not ACS Funded Cost															
CACFP															
IN-KIND CONTRIBUTION (Head Start)															
SPONSOR'S CONTRIBUTION (Not Head Start)															
OTHER FUNDING SOURCE															
Total Not ACS Funded Cost										-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule 3

Statement of Head Start Revenues and Expenditures Budget and Actual - Consolidated (Head Start Programs Only)

Schedule 3

EARLY LEARN PROGRAM NAME

STATEMENT OF HEAD START REVENUES AND EXPENDITURES-BUDGETED & ACTUAL

HEAD START PROGRAMS ONLY

CONSOLIDATED

FOR PERIOD ENDED

BUDGET CATEGORIES	ACS FUNDED							NOT ACS FUNDED				Depreciation
	Budget							Actual				
	EARLY LEARN	Head Start	Head Start UPK	CTL	TOTAL EARLY LEARN	VARIANCE Favorable (Unfavorable)	Questioned Costs	CACFP	IN-KIND CONTRIBUTION (Head Start)	SPONSOR'S CONTRIBUTION (Other than Head Start)	OTHER FUNDING SOURCE	
REVENUE:												
Early Learn Revenue					-	-						
Other Revenue (disability, interest, etc.)					-							
CACFP					-							
IN-KIND CONTRIBUTION					-							
SPONSOR'S CONTRIBUTION					-							
OTHER FUNDING SOURCE REVENUE					-							
Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
EXPENDITURES:												
Personnel Cost												
Salaries												
FICA												
Unemployment Insurance												
Pension												
Welfare Fund												
Health Insurance												
Substitutes												
Total Personnel Cost	-	-	-	-	-	-	-	-	-	-	-	
Facilities Cost												
Rent & Property Taxes												
Utilities												
Maintenance and Repairs												
Capital Expenditures & Renovations												
Other Facilities Costs												
Total Facilities Cost	-	-	-	-	-	-	-	-	-	-	-	
Family Child Care Stipends					-		-					
OTPS Cost												
Supplies												
Equipment under \$5,000												
Training												
Parent Services												
Consultants												
Other												
Total OTPS Cost							-	-	-	-	-	
Total Early Learn Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Not ACS Funded Cost												
CACFP												
IN-KIND CONTRIBUTION (Head Start)												
SPONSOR'S CONTRIBUTION (Not Head Start)												
OTHER FUNDING SOURCE												
Total Not ACS Funded Cost							-				-	
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Excess (deficiency) of Revenue over (under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Schedule 4

**Statement of Head Start Revenues and Expenditures
Budget and Actual - Site Specific
One For Each Site

(Head Start Programs Only)**

Schedule 4												
EARLY LEARN PROGRAM NAME												
STATEMENT OF HEAD START REVENUES AND EXPENDITURES-BUDGETED & ACTUAL												
HEAD START PROGRAMS ONLY												
SITE SPECIFIC												
FOR PERIOD ENDED												
BUDGET CATEGORIES	ACS FUNDED							NOT ACS FUNDED				Depreciation
	Budget							Actual				
	EARLY LEARN	Head Start	Head Start UPK	CTL	TOTAL EARLY LEARN	VARIANCE Favorable (Unfavorable)	Questioned Costs	CACFP	IN-KIND CONTRIBUTION (Head Start)	SPONSOR'S CONTRIBUTION (Other than Head Start)	OTHER FUNDING SOURCE	
REVENUE:												
Early Learn Revenue					-	-						
Other Revenue (disability, interest, etc.)					-							
CACFP					-							
IN-KIND CONTRIBUTION					-							
SPONSOR'S CONTRIBUTION					-							
OTHER FUNDING SOURCE REVENUE					-							
Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
EXPENDITURES:												
Personnel Cost												
Salaries												
FICA												
Unemployment Insurance												
Pension												
Welfare Fund												
Health Insurance												
Substitutes												
Total Personnel Cost	-	-	-	-	-	-	-	-	-	-	-	
Facilities Cost												
Rent & Property Taxes												
Utilities												
Maintenance and Repairs												
Capital Expenditures & Renovations												
Other Facilities Costs												
Total Facilities Cost	-	-	-	-	-	-	-	-	-	-	-	
Family Child Care Stipends												
OTPS Cost												
Supplies												
Equipment under \$5,000												
Training												
Parent Services												
Consultants												
Other												
Total OTPS Cost							-	-	-	-	-	
Total Early Learn Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Not ACS Funded Cost												
CACFP												
IN-KIND CONTRIBUTION (Head Start)												
SPONSOR'S CONTRIBUTION (Not Head Start)												
OTHER FUNDING SOURCE												
Total Not ACS Funded Cost							-				-	
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Excess (deficiency) of Revenue over (under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Schedule 5

SCHEDULE OF CONSULTANTS

Schedule 5

NAME OF CONTRACT ORGANIZATION

SCHEDULE OF CONSULTANTS
YEAR ENDED JUNE 30, 20xx

Provide the following information:

Name of consultant

Service provided

Rate (i.e., contract, retainer, or hourly or daily basis)

Amount paid and accrued in the financial statements

Program consultant provided services to

Note: If there are no consultants, state so.

Schedule 6

SCHEDULE OF FIXED ASSETS INVENTORY

Exhibit VI

NAME OF CONTRACT ORGANIZATION

SCHEDULE OF FIXED ASSETS INVENTORY

JUNE 30, 20xx

CURRENT YEAR

<u>Description</u>	<u>Date Purchased</u>	<u>Cost</u>
--------------------	-----------------------	-------------

PRIOR YEAR

<u>Description</u>	<u>Date Purchased</u>	<u>Cost</u>
--------------------	-----------------------	-------------

Schedule 7

**SCHEDULE OF QUANTITATIVE PROGRAM
RESULTS**

YEAR ENDED JUNE 30, 20XX

Schedule 7

NAME OF CONTRACT ORGANIZATION
SCHEDULE OF QUANTITATIVE PROGRAM RESULTS
YEAR ENDED JUNE 30, 20XX

EXAMPLE

ENROLLMENT

- 1. Contracted Slots per site.**
 - a) Name of sites; slots
 - b)
 - c)
 - d)**Total Slots**

- 2. Number of classrooms per site.**
 - a)
 - b)
 - c)
 - d)

- 3. Number of children enrolled by site.**
 - a)
 - b)
 - c)
 - d)**Total**

- 4. Number of children who actually attend by site.**
 - a)
 - b)
 - c)
 - d)**Total Slots**

- 5. The average attendance for contract by site. (number 4 divided by number 3)**
 - a)
 - b)
 - c)
 - d)**Total Average**

COST

- 1. Total expense for the contract.**
- 2. Total expense by site.**
- 3. Average cost slots (Total expenses/Average attendance for sites)**
- 4. Average cost per site / Total cost per site/Averaged Attendance by site.)**

Schedule 8

SCHEDULE of RENOVATION

Schedule 8

NAME OF CONTRACT ORGANIZATION

SCHEDULE OF RENOVATION

YEAR ENDED JUNE 30, 20xx

List all Renovation by site and cost

Include start and completion date.

Schedule 9

DETAILED EXPLANATION OF QUESTIONED COSTS

YEAR ENDED JUNE 30, 20XX

Schedule #9

NAME OF CONTRACT ORGANIZATION
DETAILED EXPLANATION OF QUESTIONED COSTS
YEAR ENDED JUNE 30, 20XX

The List below provides some examples of questioned costs.

Salaries:**Current period questioned costs for example;**

The program exceeded the fringe
Benefit budget line for the year \$ X, XXX

Mr. John Doe was paid in excess
of the amount budgeted for his
position during the year \$ X, XXX

\$XX, XXX

Consumable Supplies:**Current period questioned costs:**

Invoice number 1263 dated 11-2-XX
From No Good Supply Company
Contained a credit for returned
Merchandise that was originally
Charged to the consumable supplies
Budget line and the Contract Agency
Did not record the credit XXX

No supporting documentation was
available for the following disbursements:

<u>Check Number</u>	<u>Amount</u>
1125	\$ XXX
1368	X,XXX
1572	X, XXX
1573	X, XXX
2143	<u>XXX</u>

X, XXX
\$ X, XXX

No support documentation was available for a
Cash disbursement with check number 982 \$ X, XXX

Salaries:**Prior period questioned costs follow-up:****Consumable Supplies:****Prior period questioned costs follow-up:****Contractor Contribution****In-Kind Match**

Attachment

Exit Conference

COMPLIANCE AND INTERNAL CONTROL STRUCTURE SECTION

Introduction

The EarlyLearn Provider Organization, contracted by the City of New York, Administration for Children's Services provides the following services under the contract.

The contract was received for the year ending June 30, 201X and totals \$XXX, XXX for the period. The contract is being matched with Contractor Contribution or Non-federal Match and the total for the EarlyLearn contract is \$XXX,XXX.

Exit Conference

An Exit Conference was held on March 31, 201X at _____ (location). In attendance were:

Organization: _____

Audit Firm: _____
(One member must at least be a manager)

The Name and Title of each person in attendance should be included.

ORGANIZATION
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
CONTAINING NO INSTANCES OF NONCOMPLIANCE

ORGANIZATION
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
CONTAINING NO INSTANCES OF NONCOMPLIANCE

Provider Organization Name
Sponsoring Board of Directors
Address

Attention: Board of Directors

We have audited the Financial Statements of (Organization Program) (Budget ID# _____, for the year ended June 30, 201X, and have issued our report thereon dated _____.

We conducted our audit in accordance with Generally Accepted Auditing Standards, Government Auditing Standards, issued by the Comptroller General of the United States and the ACS EarlyLearn NYC Audit Guidelines. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement.

Compliance with laws, regulations, the compliance provisions of the ACS EarlyLearn NYC Audit Guideline and contract applicable to (Organization Program) is the responsibility of (Organization Program)'s management. As a part of obtaining reasonable assurance about whether the Financial Statements are free of material misstatement, we performed of laws, regulations, the compliance provisions of the ACS EarlyLearn Audit Guideline and the contract. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested; (Organization) complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that (Organization) had not complied, in all material respects with those provisions. We determined that Quarterly Payroll Tax Returns have been properly filed, and minutes of the Board' of Directors have been reviewed to determine any effects they may have upon the audit.

This report is intended solely for the use of the Board of Directors, Administration For Children's Services and the City of New York Comptroller's Office. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Administration for Children's Services, is a matter of public record.

Signed (XYZ Firm)

March 31, 201X

Notes:

1. The auditor, when considering whether he or she has a condition which is reportable, should consider materiality as defined by Nonprofit auditing standards, as follows:

The auditor should consider materiality and/or significance in planning the audit and in selecting the methodology and designing audit tests and procedures as well as in deciding whether matter requires disclosure in an audit report. One of the criteria to be considered in determining the materiality includes the monetary value of the item. However, materiality and significance often depend on qualitative as well as quantitative factors. Qualitative factors include, but are not limited to the cumulative effect and impact of immaterial items, the objectives of the work undertaken and the use of information. Decisions on these criteria are based on the auditor's professional judgment. In Nonprofit audits the materiality level and/or threshold of acceptable risk may be lower than in similar type audits in the private sector because of the public accountability of the entity, the various legal and regulatory requirements and the visibility and sensitivity of programs, activities and functions.

2. If the Independent Auditor's Report on the Financial Statements is other than Unqualified, the nature of the qualification should be set forth. The effect of the qualification on items in the Financial Statements that are used to determine compliance should be considered in rendering negative assurance as to compliance.
3. The auditor is required to perform a Follow-up of Prior Period reported compliance deficiencies. The follow-up is to be divided between follow-up of prior period administrative compliance finding and prior period questioned costs. This follow-up should be in all reports and if there were no prior findings, the auditor's report should contain a positive statement to that effect.

ORGANIZATION
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
CONTAINING MATERIAL INSTANCES OF NONCOMPLIANCE

ORGANIZATION
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
CONTAINING MATERIAL INSTANCES OF NONCOMPLIANCE

EarlyLearn Provider Organization Name
Sponsoring Board of Directors
Address

Attention: Board of Directors

We have audited the Financial Statements of (Organization Program) (Budget ID#____) as of and for the year ended June 30, 201X, and have issued our report thereon dated March 31, 201X.

We conducted our audit in accordance with Generally Accepted Auditing Standards, Nonprofit Government Auditing Standards, issued by the Comptroller General of the United States and the ACS EarlyLearn NYC Audit Guideline. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement.

Compliance with laws, regulations, the compliance provisions of the ACS EarlyLearn NYC Audit Guideline and contract applicable to (Organization) is the responsibility of (Organization)'s management. As a part of obtaining reasonable assurance about whether the Financial Statements are free of material misstatement, we performed tests of (Organization's compliance with certain provisions of laws, regulations, the compliance provisions of the ACS EarlyLearn NYC Audit Guidelines and the contract. However, our objective was not to provide an opinion on overall compliance with such provisions.

Material instances of noncompliance are failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, the compliance provision of the ACS Single Audit Guide and the contract that causes us to conclude that the aggregation of the misstatements resulting from those failures of violations is material to the Financial Statements. The result of our tests of compliance disclosed the following material instances of noncompliance and the questioned costs as reflected in Schedule A, the effects of which have been corrected in Organization's 201X Financial Statements. (Include paragraph describing the material instances on noncompliance noted.)

We considered these material instances of noncompliance in forming our opinion on whether (Organization Program)'s 201X Financial Statements are presented fairly, in all material respects, in conformity with Generally Accepted Accounting Principles, and this report does not affect our report dated XX XX, 2014 on those Financial Statements.

Except as described above, the results of our tests of compliance indicate that, with respect to the items tested (Organization Program) complied, in all material respects, with the provisions referred to in the third paragraph of this report, and with respect to items not tested, nothing came to our attention that caused us to believe that (Organization Program) had not complied, in all material respects, with those provisions. In addition, as required by the ACS EarlyLearn NYC Audit Guideline, we determined that Quarterly Payroll Tax Returns have been properly filed, and minutes of the Board of Directors have been reviewed to determine any effects that may have had upon the audit.

This report is intended solely for the use of the Board of Directors, Administration For Children's Services and City of New York Comptroller's Office. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the ACS, is a matter of public record.

Sign (XYZ Firm)

March 31, 201X

ORGANIZATION
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
CONTAINING MATERIAL AND NONMATERIAL INSTANCES OF
NON-COMPLIANCE

ORGANIZATION
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
CONTAINING MATERIAL AND NONMATERIAL INSTANCES OF
NON-COMPLIANCE

EarlyLearn Provider Organization Name
Sponsoring Board of Directors
Address

Attention: Board of Directors

We have audited the Financial Statements of (Organization Program) (Budget ID# _____) as of and for the year ended June 30, 201X and have issued our report thereon dated March 31, 201X.

We conducted our audit accordance with Generally Accepted Auditing Standards, Government Auditing Standards, issued by the Comptroller General of the United States and the ACS Head Start Audit Guidelines. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement.

Compliance with law, regulations, the compliance provisions of the ACS EarlyLearn NYC Audit Guideline and the contract applicable to (Organization Program) is the responsibility of (Organization Program's) compliance with certain provisions of laws, regulations, the compliance provisions of the ACS EarlyLearn Audit Guidelines Contract. However, our objective was not to provide an opinion on overall compliance with such provisions.

Material instances of noncompliance are failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, the compliance provision of the ACS EarlyLearn NYC Audit Guidelines and the contract that cause us to conclude that the aggregation of the misstatements resulting from those failures of violations is material to the Financial Statements. The result of our tests of compliance disclosed the following material instances of noncompliance and the questioned costs as reflected in Schedule A, the effects of which have been corrected in the (Organization Program's) 201X Financial Statements.

(Include a paragraph describing the material instances on Non-Compliance noted.)

We considered these material instances of Non-Compliance in forming our opinion on whether (Organization Program's) 201X Financial Statements are presented fairly, in all material respects, in conformity with Generally Accepted Accounting Principles, and this report does not affect our report dated March 31, 201X on those Financial Statements.

In addition to the above mentioned material instances of non-compliance, we noted certain immaterial instances of noncompliance as described below.

(Include a paragraph describing the immaterial instances of non-compliance noted.)

Except as described above, the results of our tests of compliance indicate that, with respect to the items tested, (Organization Program) complied, in all material respects, with the provisions referred to in the third paragraph of this report, and with respect to items not tested, nothing came to our attention that caused us to believe that (Organization Program) had not complied, in all material respects with those provisions. In addition, as required by the ACS EarlyLearn NYC Audit Guideline, we determined Quarterly Payroll Tax Returns have been properly filed and Minutes of the Board of Directors have been reviewed to determine any effects they may have had upon the audit.

This report is intended solely for the use of the Board of Directors, Administration For Children's Services and the City of New York Comptroller's Office. This restriction is not intended to limit the distribution of this report, which upon acceptance by ACS is a matter of public record.

Sign (XYZ Firm)

March 31, 201X

Notes:

The report should include the cause of problems areas noted in the audit and recommendations for actions to correct the problem areas and to improve operations.

- The report should include a discussion of cause when problems are reported and the audit objectives call for development of the reasons for the problems. In some audits, the objective may be limited to identifying whether a problem exists with no requirement for identifying the cause, even if a problem is found.
 - Identifying the underlying cause of problems is helpful in making constructive recommendations to achieve corrective action. When auditors know why something happened, they can more readily determine what action is needed to prevent its recurrence.
 - Because problems can result from a number of plausible factors, auditors need to clearly demonstrate and explain with applicable evidence and reasoning the link between the problem and the factor or factors they identified as the cause. In some cases, the auditors may need to describe how they isolated the stated cause or causes from other plausible factors. This is not a requirement for proof of a casual relationship, but a requirement for reasonable persuasive argument.
 - The report should contain recommendations when the potential for significant improvement in operations and performance is substantiated by the report Findings and Recommendations are called for by the Audit Objectives. Recommendations to effect compliance with laws and regulations and improve Internal Controls should also be made when significant instances of noncompliance are noted or significant weaknesses in controls are found.
 - Reports which contain constructive recommendations can encourage improvements in the conduct of government programs and activities. Recommendations are most constructive when they are directed at resolving the cause of identified problems, are action oriented and specific, and are addressed to parties that need to act. Recommendations also need to be feasible and cost-effective.
1. The auditor should place his or her findings in proper perspective. The extent of noncompliance should be related to the number of cases examined to give the reader a basis for judging the prevalence of noncompliance
 2. The findings section should be appropriately segregated between current period and prior period findings. The auditor is required to perform a follow-up of prior reported Compliance Deficiencies. The follow-up is to be divided between follow-up of prior period administrative compliance findings and prior period questioned costs. This follow-up should be in all reports and if there were no prior findings, the auditor's report should contain a positive statement to that effect.

3. Illustrative compliance deviation comments, prepared in, include:

Food Service

The temperature in the non-refrigerated food storage was 75 degrees Fahrenheit, which is 5 degrees Fahrenheit above the maximum allowable temperature. The contract and New York City Health regulations provide for a required temperature range to ensure safe storage and to ensure against spoilage of non-refrigerated food.

We recommend that procedures be implemented to the temperature in the non- refrigerated food storage area. The Provider Organization stated that they did not monitor the temperature on a routine basis, but would implement temperature monitoring procedures.

Salary Verification Forms

The salary verification forms, for example Mr. Jones, Bookkeeper, and J. Jackson, custodian, could not be located by the Organization. Completion of the salary verification form is required by the contract. The forms document the salary authorized for each employee and provide a basis for the salary paid.

We recommend that the Organization develop procedures to ensure completion of the salary verification forms and the filing of the forms in the personnel files. The delegate Organization indicated that the forms must have been misplaced and that they will remind their employees of the importance of completing and filing the forms on a timely basis.

Facilities Documentation

The evacuation plan did not indicate each group's destination once they, were outside the building. The contract with ACS requires that the evacuation plan indicate the destination of each group, so a quick determination can be made as to the status of each group, in the event of an emergency evacuation.

We recommend that the plan be modified to reflect the destination of each group. The Organization stated that they were not aware of the requirement, but would update the evacuation plan within one month.

4. In the event exceptions are reported as a result of test performed, the auditor should consider the extent to which the pervasiveness of reported exceptions may affect the auditor's ability to express negative assurance with respect to items not tested.

ORGANIZATION
INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL STRUCTURE CONTAINING
NO REPORTABLE CONDITIONS

**ORGANIZATION
INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL STRUCTURE CONTAINING
NO REPORTABLE CONDITIONS**

EarlyLearn Provider Organization Name
Sponsoring Board of Directors
Address

Attention: Board of Directors

We have audited the financial statements of (Organization Program) (Budget ID# _____) as of and for the year ended June 30, 201X and have issued our report thereon dated March 31, 201X.

We conducted our audit accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the ACS EarlyLearn Audit Guidelines. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement.

In planning and performing our audit of the Financial Statements of (Organization Program) for the year ended June 30, 201X, we considered its Internal Control Structure in order to determine our auditing procedures for the purpose of expressing our opinion on the Financial Statements and not to provide assurance on the Internal Control Structure.

The management of the (Organization) is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of Internal Control Structure Policies and Procedures. The objective of an Internal Control Structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of Financial Statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant Internal Control Structure Policies and Procedures in the following categories (identify Internal Control Structure categories).

For all of the Internal Control Structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the Internal Control Structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific Internal Control Structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the Financial Statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions We noted no matters involving the Internal Control Structure and its operation that we consider to be material weaknesses as defined above.

This report is intended, solely for the use of the ACS and the City of New York Comptroller's office. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the ACS, is a matter of public record

Sign (XYZ Firm)

March 31, 201X

Notes:

1. The auditor, when considering whether he or she has a condition which is reportable, should consider materiality as defined by Governing Auditing Standards, as follows:

The auditor should consider materiality and/or significant in planning the audit and in selecting the methodology and designing audit tests and procedures as well as in deciding whether a matter requires disclosure in an audit report. One of the criteria to be considered in determining the materiality includes the monetary value of the item. However, Materiality and significance often depend on qualitative as well as quantitative factors. Qualitative factors include, but are not limited to the cumulative effect and impact of immaterial items, the objectives of the work undertaken and the use of the reported information by the user of groups of users of the information. Decisions on these criteria are based on the auditor's professional judgment. In non-profits audits the materiality level and/or threshold of acceptable risk may be lower than in similar-type audits in the private sector because of the public accountability of the entity, the various legal and regulatory requirements and the visibility and sensitivity of programs, activities and functions.

2. If the Independent Auditor's Report on the Financial Statements is Qualified because of restriction on the scope of the examination, restriction and its effect, if any on the evaluation on the system of Internal Control Structure should be set forth. The effect of the qualification in the Financial Statements should be considered in determining the matters that should be reported in the auditor's report on Internal Control Structure.
3. Government Auditing Standards (GAO Yellow Book). Issued by the Comptroller General of the United States, require a report on the entity's Internal Control Structure. The GAO reporting standards go beyond SAS NO.60, and in accordance with SAS classification on the control structure, and those classifications for which the control risk was not assessed.

The following are examples of three different ways the Internal Control Structure might be classified. The auditor should modify these examples or use other classifications as appropriate for the particular circumstances on which he is reporting.

Cycles of the Entity's Activity

Treasury or Financing

Revenue/Receipts

Purchases/Disbursements

External Financial Reporting

Financial Statement Captions

Cash and Cash Equivalents
Receivables
Inventory
Property Equipment
Payables and Accrued Liabilities
Debt
Fund Balance

Accounting Applications

Billings
Receivables
Cash Receipts
Purchasing and Receiving
Accounts Payable
Cash Disbursements
Payroll
Inventory Control
Property and Equipment
General Ledger

4. ACS expects the auditor will gain an understanding of the Internal Control Structure and assess the control risk. The GAO Yellow Book lists the reasons where the auditor may limit the consideration of the Internal Control Structure. These reasons, which should only be used in certain exceptional circumstances, include: (1) An adequate Internal Control Structure does not exist for reliance thereon because of the small size of the entity; (2) The auditor may conclude that it would be inefficient to evaluate the effectiveness of Internal Control Structure Policies and Procedures and that the audit can be conducted more efficiently by expanding substantive audit tests, thus placing very little reliance on the Internal Control Structure; and (3) The existing Internal Control Structure may contain so many weaknesses that the auditor has no choice but to rely on substantive testing, thus virtually ignoring the Internal Control Structure. The above circumstances should be documented in the working papers and included in the report on Internal Control Structure.
5. The auditor is required to report that a surprise payroll distribution and floor check were performed. The following paragraph should be inserted into the comment section of the report or before the last paragraph (if no comments are included in the report):

As required by ACS EarlyLearn Audit Guidelines, we performed on a surprise basis, a payroll distribution on January 28, 201X, covering XX percent of the individuals on the Payroll and performed a surprise “Floor Check” of individuals on the Payroll on a test basis covering XX percent of the total individuals on the Payroll.

- A. If a payroll distribution and/or floor check could not be performed but alternative procedures were applied, the actual alternative procedures used should be inserted into the report. Suggested wording includes:

The payroll distribution and /or floor check required by the ACS *EarlyLearn* Audit Guidelines could not be performed because of (insert reason for inability to perform payroll distribution and/or floor check). However, the following alternative procedures were performed to meet the above requirement. (List alternative procedures applied.)

- *B. If in reporting on the interim audit the payroll distribution and/or floor check are to be performed during the year-end audit, the suggested wording includes;

The Payroll Distribution and/or Floor Check required by the ACS EarlyLearn Audit Guidelines were not performed during the interim audit. However, the required procedures will be included in the year-end audit.

- *C. If in reporting on the year-end audit, the payroll distribution and/or floor check were performed during the interim audit, the suggested wording includes:

The Payroll Distribution and/or Floor Check required by the ACS EarlyLearn Audit Guidelines were performed during the interim audit and the procedures are reported in our compliance report dated February 27, 201X.

6. The auditor is required to perform a follow-up of prior period reported internal control structure deficiencies. This follow-up should be in all reports and if there were no prior findings, the auditor's report should contain a positive statement to that effect.

*Applicable only to full scope interim audits.

ORGANIZATION
INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL STRUCTURE CONTAINING
REPORTABLE CONDITIONS

ORGANIZATION
INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL STRUCTURE CONTAINING
REPORTABLE CONDITIONS

EarlyLearn Provider Organization Name
Sponsoring Board of Directors
Address

Attention: Board of Directors

We have audited the financial statements of (Organization) (Budget ID_____) as of and for the year ended June 30, 20XX, and have issued our report thereon dated March 31, 20XX.

We conducted our audit accordance with Generally Accepted Auditing Standards, Government Auditing Standards, issued by the Comptroller General of the United States and the ACS EarlyLearn Audit Guidelines. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement.

In planning and performing our audit of the Financial Statements of (Organization Program) for the year ended June 30, 201X, we considered its Internal Control Structure in order to determine our auditing procedures for the purpose of expressing our opinion on the Financial Statements and not to provide assurance on the Internal Control Structure.

The management of the (Organization) is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of Internal Control Structure Policies and Procedures. The objective of an Internal Control Structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of Financial Statements in accordance with Generally Accepted Accounting Principles. Because of inherent limitations in any Internal Control Structure, errors or irregularities may nevertheless occur and not been detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant Internal Control Structure Policies and Procedures in the following categories (identify Internal Control Structure categories).

For all of the Internal Control Structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed Control Risk

We noted certain matters involving the Internal Control Structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the Internal Control Structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with the assertions of management in the Financial Statements.

(Include paragraph describing the immaterial instances of non-compliance noted.)

A Material weakness is a reportable condition in which the design or operation of the specific Internal Control Structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the Financial Statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the Internal Control Structure would not necessarily disclose all matter in the Internal Control Structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the use of the Board of Directors, Administration For Children's Services and City of New York Comptroller's Office. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the ACS, is a matter of public record.

Sign (XYZ Firm)

March 31, 201X

Notes:

1. The auditor should consider materiality and/or significant in planning the audit and in selecting the methodology and designing audit tests and procedures as well as in deciding whether a matter requires disclosure in an audit report. One of the criteria to be considered in determining the materiality includes the monetary value of the item. However, materiality and significance often depend on quantitative factors. Qualitative factors include, but are not limited to the cumulative effect and impact of immaterial items, the objectives of the work undertaken and the use of the reported information by the user of groups of users of the information. Decisions on these criteria are based on the auditor's professional judgment. In non-profit audits the materiality level and/or threshold of acceptable risk may be lower than in similar-type audits in the private sector because of the public accountability of the entity, the various legal and regulatory requirements and the visibility and sensitivity of government program, activities and functions.
2. If the Independent Auditor's Report on the Financial Statements is qualified because of restriction on the Scope of examination, restriction and its effect, if any, the on the evaluation of the system of Internal Control Structure should be set forth. The effect of the qualification in the Financial Statements should be considered in determining the matters that should be reported in the auditor's report on Internal Control Structure.
3. Government Auditing Standards GAO (Yellow Book), issued by the Comptroller General of the United States, require a report on the entity's Internal Control Structure. The GAO reporting standards go beyond SAS NO.60, and in accordance with SAS NO.63 require the auditor to identify in the auditor's report the entity's significant classification of the Control Structure, and that classification of the control structure, and those classifications for which the control risk was not assessed.

Given below are the examples of three different ways the Control Structure might be classified. The auditor should modify these examples or use other classifications as appropriate for the particular circumstances on which he is reporting;

Cycles of the Entity's Activity

Treasury or Financing

Revenue/Receipts

Purchases/Disbursements

External Financial Reporting

Financial Statement Captions

Cash and Cash Equivalents
Receivables
Inventory
Property and Equipment
Cash Receipts
Payables and Accrued Liabilities
Debt
Fund Balance

Accounting Applications

Billings
Receivables
Cash Receipts
Purchasing and Receiving
Accounts Payable
Cash Disbursements
Payroll
Inventory Control
Property and Equipment
General Ledger

4. ACS expects the auditor will gain an understanding of the Internal Control Structure and assess the Control Risk. The GAO /Yellow Book lists reasons where the auditor may limit the consideration of the Internal Structure. These reasons, which should only be used in certain exceptional circumstances, include: (1) An adequate Internal Control Structure does exist for reliance thereon because of the small size of the entity; (2) The auditor may conclude that it would be inefficient to evaluate the effectiveness of Internal Control Structure Policies and Procedures and that the audit can be conducted more efficiently by expanding substantive audit tests, thus placing very little reliance on the Internal Control Structure; and (3) The existing Internal Control Structure may contain so many weaknesses that the auditor has no choice but to rely on Substantive Testing, thus virtually ignoring the Internal Control Structure. The above circumstances should be documented in the working papers and included in the Report on Internal Control Structure.

5. Government Auditing Standards (GAO Yellow Book), issued by the Comptroller General of the United States, requires the following regarding presentation of the Audit Findings:

- The report should include a full discussion of the audit findings, and where applicable, the auditor's conclusions.
- The report should present the finding and finding elements developed in response to the audit objective. Sufficient, competent and relevant information about findings should be included to promote adequate understanding of the matters reported and to provide convincing, but fair presentations in proper perspective. Appropriate background information that readers need to understand the finding should also be included.
- Audit Findings have often been regarded as containing the elements of Criteria, Condition and Effect, plus cause when problems are found. However, the elements needed for a complete finding depend entirely on the objectives of the audit. Thus, a finding or set of findings is complete to the extent that the audit objectives are satisfied and the report clearly relates those objectives to the finding's elements.
- The report should contain conclusions when called for by the audit objectives. Conclusions should be specified and not left to be inferred by readers. The report should not be written on the basis that a bare recital of facts makes the conclusions inescapable.
- The report should include the cause of problem areas noted in the audit and recommendations for actions to correct the problem areas to improve operations.
 - The report should include a discussion of cause when problems are reported and the audit objectives call for development of the reasons for the problems. In some audits, the objective may be limited to identifying whether a problem exists with no requirement for identifying the cause, even if a problem is found.
 - Identifying the underlying cause of problems found is helpful in making constructive recommendations to achieve corrective action. When auditors know why something happened, they can more readily determine what action is needed to prevent its recurrence.
 - Because problems can result from a number of plausible factors, auditors need to clearly demonstrate and explain with applicable evidence and reasoning the link between the problem and the factor or factors they identified as the cause. In some cases, the auditors may need to describe how they isolated the stated cause or causes from other plausible factors. This is not a requirement for proof of a causal relationship, but a requirement for reasonable persuasive argument.

- The report should contain recommendations when the potential for significant improvement in operations and performance is substantiated by the reported Findings and Recommendations are called for by the audit objectives. Recommendations to effect compliance with laws and regulations and improve Internal Controls should also be made when significant instances of non-compliance are noted or significant weaknesses in controls are found.
- Reports which contain constructive recommendations can encourage improvements in the conduct of government programs and activities. Recommendations are most constructive when they are directed at resolving the cause of identified problems, are action oriented and specific, and are addressed to parties that need to act. Recommendations also need to be feasible and cost-effective.

6. The Comments Section of the report is structured as follows, as applicable:

Comment Section

Reportable Conditions and Material Weaknesses:

Current-Period Comments:

Prior-Period Comments:

Nonmaterial Weaknesses:

Current-Period Comments:

Prior-Period Comments:

Statement on payroll distribution and floor checks:

(See Note below for guidance)

The Comments Section must include both the auditor's recommendation and the organization's response.

7. The auditor is required to report that surprise payroll distribution and floor check were performed. The following paragraph should be inserted into the comment section of the report or before the last paragraph (if no comments are included in the report):

As required by ACS *EarlyLearn* NYC Audit Guidelines, we performed, on a surprise basis, a Payroll Distribution on January 28, 201X, covering XX percent of the individuals on the Payroll and performed a surprise "floor check" of individuals on the payroll on a test basis covering XX percent of the total individuals on the payroll.

- A. If a payroll distribution and/or floor check could not be performed but alternative procedures were applied, the actual alternative procedures used should be inserted into the report.

Suggested wording includes:

The payroll distribution and/or floor check required by ACS EarlyLearn Audit Guidelines could not be performed because of (Insert reason for inability to perform the payroll distribution and/or floor check). However, the following alternative procedures were performed to meet the above requirement. (List alternative procedures applied.)

- *B. If in reporting on the interim audit payroll distribution and/or floor check are to be performed during the year-end audit, the suggested wording includes;

The Payroll Distribution and/or Floor Check required by ACS EarlyLearn Audit Guidelines were not performed during the interim audit.

- *C. If in reporting on the year-end audit, the payroll distribution and/or floor check were performed during the interim audit, the suggested wording includes:

The Payroll Distribution and/or Floor Check required by the ACS EarlyLearn Audit Guidelines were performed during the Interim Audit and the procedures are reported in our Compliance Report dated February 27, 200X.

**SUGGESTED FORM OF AUDITOR’S REPORT ON
COMMON SPONSOR DEFICIENCIES**

SUGGESTED FORM OF AUDITOR'S REPORT ON COMMON SPONSOR DEFICIENCIES

EarlyLearn Provider Organization Name

Board of Directors

Address

Attention: Board of Directors

We have previously reported on Internal Control Structure and Compliance Matters pertaining to the following programs administered by (identify Sponsor):

Program:

Budget I.D. Number:

Audit Period:

Date of Reports:

(List each Program/Organization)

The Scope and purpose of our engagement and the objectives of the Internal Control Structure are described in the aforementioned reports, which are incorporated herein by reference.

Presented below is a summary of Internal Control Structure and Compliance Finding common to two or more of the above programs.

(List all Findings common to two or more programs.)

This report is intended solely for the use of Board of Directors, Administration For Children's Services and the City of New York Comptroller's Office. This restriction is not intended to limit the distribution of this report, which, upon acceptance by ACS is a matter of public record.

Signed (XYZ Firm)

March 31, 201X

Notes:

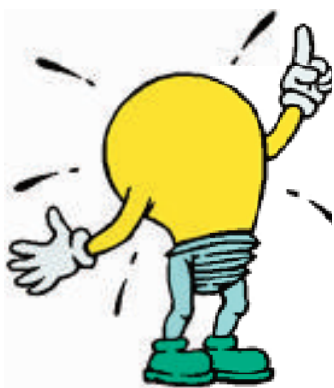
1. The auditor is expected to briefly state the condition that is common to two or more programs and the number of programs affected by the reported condition. The following provides a sample of such reporting where five agency programs under one sponsor were audited.

1. **Condition**

At two of the five programs audited, based upon a sample payroll test performed, it was noted that timesheets were not being signed by employees or approved by supervisory personnel.

2. **Condition**

At three of the five programs audited, an examination of vendor invoices revealed that the invoices are not always cancelled by being marked as “PAID” in order to prevent and inadvertent duplicate payment.



Facility Tip of the Month

Be Prepared for a Problem with your Fire Alarm

Unfortunately, fire alarms often don't give much warning before they need repair or replacement. ACS Facilities has outlined the following steps below to ensure the children and staff in your center are safe at all times:

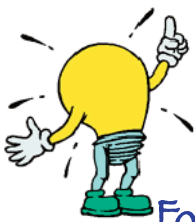
- 1) As a condition of your license to operate, you should have an S-95 Certificate of Fitness holder, on site at all times. On a daily basis, this person should check the fire panel to see if the trouble light is on and if it is, the alarm monitoring company should be contacted immediately. Sites with an electronic system have a fire panel and should have the name and number of your alarm monitoring company posted on the panel itself. A daily log should be kept indicating the status of the trouble light on the panel.
- 2) If the trouble light is illuminated, or you discover some other way that the fire equipment is not fully functional, you must have a fire guard on the premises within 4 hours of learning that the fire equipment is not fully functional. If your landlord is responsible for the fire alarm system on your premises (as NYCHA is for their sites) and can be reached immediately, he/she may be willing to supply a paid fire guard with appropriate credentials.
- 3) Regardless of whom your landlord is, ACS Facilities strongly suggests that you make a New Year Resolution now to BE PREPARED and have multiple staff at each site become a Fire Guard certificate holder (F-01). This should be done whether you have the electronic fire alarm or the older pull station version.

The fire guard(s) make up the fire watch. The "fire guard" is the person(s) holding the F-01 Certificate of Fitness for Fire Guards. The "fire watch" is a temporary plan intended to ensure continuous and systematic surveillance of the facility by one or more fire guards for the purpose of identifying and controlling fire hazards, detecting early signs of fire, notifying everyone in the site, and calling 911.

- 4) Please note that the fire watch is not a permanent solution; steps to repair or replace the non-functioning fire alarm or sprinkler system must be initiated immediately. However, fire alarm replacement is a very long process. Since the fire watch is a time consuming task you will want to have multiple staff certified so they can take shifts.
- 5) A fire guard must be available to patrol the entire site in which the fire alarm (or sprinkler system) is not working, at least once every hour. Each fire guard must:

- carry a cell phone to call 911
 - be familiar with the evacuation plan & alternates depending on where the fire breaks out
 - know where chemicals are stored and ensure they are locked safely away
 - check that means of egress are free of any blockage
 - check that kitchen, hallway, & stairwell doors are closed, not locked and free of obstruction
 - know the location of fire extinguishers and how to use them (if it doesn't put you in danger)
 - keep the certificate of fitness with guards at all times, readily available for inspection.
 - maintain a daily log recording the number of inspections, defects discovered, violations noticed with date, time and name of fire guard and Certificate of Fitness number. This must be available for the FDNY to view at any time.
 - The fire guard must hold regular fire drills, using a megaphone or something similar to be able to alert teachers and staff quickly and log them as usual.
- 6) If you do have a problem with your alarm, your ACS Team Leader and Facilities must be contacted and planning for the full restoration of the fire alarm system must begin.
- 7) If your smoke detectors are hard-wired to your non-working fire alarm, you must immediately purchase battery-operated smoke detectors. A fire watch without smoke detectors will not suffice.

Don't play with fire; be sure your system is checked daily and have Fire Guards ready to roll at each site.



Facility Tip of the Month

is brought to you by ACS Facilities

For more information Call the Facilities Help Desk 212-453-0945
or Email earlylearnfacilities@acs.nyc.gov

**SAFETY DEPENDS ON FORWARDING THIS
TO YOUR SITE DIRECTORS**

Request for Books from 1st Book-Inventory October 2013

Date_____

Name and Title of Person Requesting Books_____

Telephone Number of the Person Requesting Books_____

Ages of book recipients and number of books requested_____

Book Title	Ages	Number Requested

Purpose for books_____

Population books will be serving_____

Date of Pickup_____

*Please remember to report back on use, photos if feasible, reclaims.

BOOK TITLES

Name	Age Group
Monstrous Memoirs of a Mighty McFearless	7-9 years old
Inheritance Omnibus: Eragon and Eldest	10-12 years old
Jeremy Lin: From the End of the Bench to Stardom	10-12 years old
Dark and Hollow Places	13-15 years old
The Scored	13-15 years old
Wildcat Fireflies	13-15 years old
Doglands	13-15 years old
Off the Rails!(Thomas and Friends)	4-6 years old
Faith, Trust, and Pixie Dust	4-6 years old
Princess Charm School(Barbie)	4-6 years old
Pretty Penny Sets up Shop	4-6 years old
Happily Ever After	4-6 years old
A Deal's a Deal!	4-6 years old
Traveling Tales(Thomas & Friends)	4-6 years old
Chilly Chilly Ice-Bat(Uglydolls)	4-6 years old
Three Toy Stories	4-6 years old
Our Little Chicken	4-6 years old
Good Little Wolf	4-6 years old
My Heart Will not Sit Down	4-6 years old
Sinister Substitute(Gecko/Sticky) (paperback)	7-9 years old
Wednesdays	7-9 years old
The Dragon in the Driveway, The (Dragon's Keepers #2)	7-9 years old
How Tia Lola Ended up Starting Over	7-9 years old
Dandelion Fire(Book 2 of the 100 Cupboards)	7-9 years old
Cars 2 Junior Novel	7-9 years old
The Power, Portion, (Gecko/Sticky) (Paperback)	7-9 years old
Death of Yorik Mortwell	7-9 years old
Lilu's Book (The Fairy Godmother Academy # 4	7-9 years old
Golden Book of Family Fun	7-9 years old
The Fawn and the Mysterious Trickster (Disney Fairies)	7-9 years old
Modern Fairies, Dwarves, Goblins/Other Nasties	7-9 years old
The Story of Tracy Beaker	10-12 years old
Star of Stone (Century # 2)	10-12 years old
Johnny Tremain 9780440442509	10-12 years old
Your Life, but Cooler	10-12 years old
Sons of Liberty #2 : Death and Taxes	10-12 years old
Second Fiddle	10-12 years old
Ring of Five #5: The Unknown Spy	10-12 years old
Mourning Empire	10-12 years old
The Diary of a Parent Trainer	10-12 years old
Guinevere's Gift	

Scorpions of Zahir	10-12 years old
A Girl Named Faithful Plum	10-12 years old
The Witch's Revenge	10-12 years old
The Amazing Life of Birds	10-12 years old
Magic Cake Shop	10-12 years old
The Blood Sun (Danger Zone # 3)	13-15 years old
Teenie	13-15 years old
Modelland	13-15 years old
The Rebellion: The Obernewtyn Chronicles	13-15 years old
Siren's Storm	13-15 years old
Game of Triumphs	13-15 years old
The (hardcover) Unleashed (Wolf Spring Chronicles)	13-15 years old
Touched	13-15 years old
Scarlett Dedd	13-15 years old
Gil Marsh	13-15 years old
Reaching Thought Time	13-15 years old
The Fortune of Carmen Navarro (Paperback)	13-15 years old
My Beating Teenage Heart	13-15 years old
Blood Magic (The Blood Journals)	16-18 years old
The Lighter Side of Life and Death	16-18 years old
The File of Angelyn Stark	16-18 years old
Rosie and Skate	16-18 years old
Hooked	16-18 years old
Efrain's Secret(Hardcover)	16-18 years old
Exposed	16-18 years old
Efrain's Secret (Paperback)	16-18 years old
Happy Families	16-18 years old
Jumpstart the World	16-18 years old
Ingenue (Flappers #2)	16-18 years old
The Knife that Killed Me (Paperback)	16-18 years old
Starstruck	16-18 years old
The Knife that Killed Me (Hardcover)	16-18 years old
Black Stallion and the Lost City	7-9 years old
The Nancy and the Plum	7-9 years old
Attack of the Shark-Headed Zombie	7-9 years old
Fourth Grade Disasters (Mazon Dixon)	7-9 years old
OddFellow's Orphanage	7-9 years old
Hamster's Magic	7-9 years old
Little Wings #1" Willa Bean's Cloud Dreams	7-9 years old

Request for Books from Barnes & Noble Inventory November 2013

Date_____

Name and Title of Person Requesting Books_____

Telephone Number of the Person Requesting Books_____

Ages of book recipients and number of books requested_____

Book Title	Ages	Number Requested

Purpose for books_____

Population books will be serving_____

Date of Pickup_____

*Please remember to report back on use, photos if feasible, reclaims.

BOOK TITLES

Title of Book
A Good Night for Ghosts
A Wrinkle in Time
Afternoon on the Amazon
Al Capone Does My Shirts
Alexander and the Terrible, Horrible, No Good, Very Bad Day
Alice in Tumblr-Land
All Stuffed Up
Amelia Badelia Series
Angelina Ballerina
Angry Birds Star War Series
Around the World in Eighty Days
Bad Kitty
Barbie Series
Belle the Birthday Fairy
Big Egg
Big Nate Series
Blizzard of the Blue Moon
Brown Bear, Brown Bear, What Do You See?
Buenas Noches Luna
Bunnicula: a Rabbit-Tale of Mystery
Captain Underpants Series
Carnival at Candlelight
Cars Series
Cat and Mouse in Haunted House
Charlie and the Chocolate Factory
Clifford Series
Cooking with the Cat
Corduroy
Danny and the Dinosaur
DC Super Friends Series
Double Fudge
Ella Enchanted
Ellray Jakes Walks the Plank
Elmo's Little Dreidel
Eres Mi Mama?
Fancy Nancy Series
Flat Stanley Series
Frog and Toad Series
Gansi Gossie
Gansy y Gerti (in Spa and Eng)
George's Marvelous Medicine
George's Wonderful Medicine

Good Night Moon
Gregor the Overlander
Harold and the Purple Crayon
Harry Potter and the Sorcerer's Stone
Haunted Castle on Hallows Eve
Henry and Mudge Series
Hockey Meltdown
Hoot
How to Train Your Dragon
I Survived
If You Give a Moose a Cookie
Ivy + Bean
James and the Giant Peach
Journey to the Center of the Earth
Judy Moody Series
Junie B Jones Series
Just .. Series (Just Big Enough, Just Go to Bed, Just Going to the Dentist)
Keena Ford Series
Little Bear
Little Miss... Series
Live Skate Series
Love That Dog
Magic Animals Series
Make Way for Ducklings
Math fair Blues
Matilda: To Change the World It takes a Little Genius
Max and Ruby Play School
Mercy Watson to the Rescue
Mermaid Tales
Mia Series
Middle School: the Worst Years of My Life
Midnight on the Moon
My Weird School Series
Monster Trucks!
Moonlight and the Magic Flute
Mouse Series
Mr. Popper's Penguins
My Animals/Mis Animaes (in Eng and Spa)
My Life as a Book
Nikki and Deja Series
Old New Hat
Otherwise Known as Sheila the Great
Out of My Mind
Palace Puppies
Penguin Pandemonium: the Rescue

Percy Jackson and the Olympians: Sea of Monsters
Pete the Cat
Peter Pan
Pinkalicious Series
Pizza and Other Stinky Poems
Ramona Series
Ravens Pass
Ready, Set, Oops!
Sammy the Seal
Show me the Honey
Skippy Jon Jones
Snow
Snowman Surprise
Space
Splat the Cat: a Whale of a Tale
STAT
Stink: the Incredible Shrinking Kid
Stuart Little
Sunset of the Sabertooth
Superfudge
Swimmy
Tales of a Fourth Grade Nothing
Ten Apples Up on Top
The Adventures of Captain Underpants
The BFG
The Boxcar Children
The Cat in the Hat (in English and Spanish)
The Chronicles of Meap
The Day the Crayons Quit
The Dinosaur that Disappeared
The Fenway Foul-Up
The Fire Cat
The Friendship Matchmaker
The Giraffe and the Pelly and Me
The House on East 88th Street
The Mad, Mad, Mad, Mad Treasure Hunt
The Magic Finger
The Misfits
The Missing Tooth
The Mysterious Benedict Society
The Name of this Book Is Secret
The Perfect Dress
The Phantom Tollbooth
The Pilgrims' First Thanksgiving
The San Francisco Splash

The Snowy Day
The Tail of Emily Windsnap
The Tower Treasure
The True Story of the 3 Little Pigs
The Twits
The Witches
The Ziz and the Hanukkah Miracle
There Is no Place Like Space
Tonight on Titanic
Twister on Tuesday
Underworld: the Battle Begins
Wales: the gentle Giants
War Horse
We Love Ballet!
Welcome to Royal Prep
Where the Wild Things Are
Winter of the Ice Wizard
Zack's Alligator
Zombikins
Born to Dance
Despicable Me
Freckle Juice
The Grand Canyon Burros that Broke
The Lone Ranger
Jessie
Brave
The Chocolate Touch
Desirable
A-Z Mysteries Series
The Bernstein Bears Series
Curious George Series
Biscuit Series ICR L0
This Is My Town! ICR L0
The Trouble with Germs ICR L1
Batman ICR L2
Lego Ninjago Series
Illustrated Classics Series
Te Quiero, Papi!
The Night Before Christmas
National Geographic Kids: Pandas
All the Ways I Love You
Seven Wonders
Strega Nona
Care Bears

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TRANSITION TO KINDERGARTEN and KINDERGARTEN ADMISSION

Advocates for Children has updated two key resources regarding the transition to kindergarten. Children born in 2009 are eligible to enter kindergarten in September 2014, and there are steps that families should take starting now to prepare for this important milestone. We hope these resources will help families and you navigate the transition to kindergarten!

Kindergarten Admissions Process

All families with children born in 2009 are encouraged to participate in the DOE's kindergarten admissions process. For the first time, this year, families can apply to up to 20 schools using one application form. They can complete this application form online, over the phone, or in person at a borough enrollment office between January 13th and February 14th. Families should no longer go to individual schools to apply to kindergarten. For more information, please review and share [AFC's Kindergarten Admissions Guide](http://www.advocatesforchildren.org/sites/default/files/library/kindergarten_admissions_guide.pdf): http://www.advocatesforchildren.org/sites/default/files/library/kindergarten_admissions_guide.pdf

Transition to Kindergarten for Students with Disabilities

In addition to applying to kindergarten, families with children with IEPs born in 2009 will be participating in a second process—development of kindergarten IEPs. For comprehensive information about the transition to kindergarten for students with disabilities, please review and share [AFC's Turning 5 Guide](http://www.advocatesforchildren.org/sites/default/files/library/turning_5_guide.pdf):

English: http://www.advocatesforchildren.org/sites/default/files/library/turning_5_guide.pdf

Spanish: http://www.advocatesforchildren.org/sites/default/files/library/turning_5_guide_spanish.pdf

Please make sure you are using the **December 2013** version of these guides. If you viewed last year's guide, you may need to refresh your browser to get to the current version.

We also encourage you to review and share the DOE's kindergarten materials:

-Kindergarten Admissions for All Students: www.nyc.gov/schools/kindergarten

-Transition to Kindergarten for Students with Disabilities: <http://schools.nyc.gov/kindergartenspecialeducation>

Both websites have very helpful information for families of children born in 2009.

EARLY CHILDHOOD DIRECTION CENTERS - NEW YORK CITY

FACT SHEET

The **Early Childhood Direction Centers** (ECDC), funded by the New York State Education Department, provide free confidential information and referral for families and professionals about services for young children with suspected or diagnosed developmental delays or disabilities. In New York City there is an Early Childhood Direction Center in each borough. Children of families referred to the ECDC should reside in the borough and be between birth and five years of age. <http://www.p12.nysed.gov/specialed/techassist/ecdc/home.html>

ECDC staff provide information about and/or referrals for:

- Diagnostic and Evaluation Services
- Infant and Toddler Early Intervention Services
- Preschool Special Education Services
- Transition to School Age Special Education Services
- Childcare, Head Start and other Early Childhood Settings
- Family Support Services
- Medical, Dental and Other Health Services
- Advocacy

Services provided by the **ECDC** include:

- Linking children and families to available services, supports and programs in New York City
- Referrals to agencies and professionals providing services to young children and their families
- Referrals of infants and toddlers to the New York City Early Intervention Program (EI)
- Assistance with referrals of children to the Committee on Preschool Special Education (CPSE)
- Follow up telephone contact with families until their child reaches age five
- Workshops and resources for families and professionals
- Technical assistance for early childhood programs

BRONX

Early Childhood Direction Center
AHRC New York City
2488 Grand Concourse, Room 405
Bronx, NY 10458

718-584-0658

ecdcbronx@yahoo.com

<http://www.ahrcnyc.org/services/services-by-type/bronxearlychildhood.html>

BROOKLYN

Early Childhood Direction Center
United Cerebral Palsy of NYC, Inc.
160 Lawrence Avenue
Brooklyn, NY 11230

718-437-3794

ksamet@ucpnyc.org

QUEENS

Early Childhood Direction Center
Queens Center for Progress
82-25 164th Street
Jamaica, NY 11432

718-374-0002, ext. 465

cwarkala@queenscp.org

<http://ecdc-queens.webs.com>

MANHATTAN

Early Childhood Direction Center
New York Presbyterian Hospital
409 East 60th Street, #3-312
New York, NY 10022

212-746-6175

ecdc@nyp.org

<http://nyp.org/ecdc>

STATEN ISLAND

Early Childhood Direction Center
Staten Island University Hospital
242 Mason Avenue, 1st Floor
Staten Island, NY 10305

718-226-6670

ecdc@siuh.edu

<http://www.siuh.edu/childhood>

EARLY CHILDHOOD DIRECTION CENTERS - NEW YORK CITY

HOJA DE INFORMACION

Los **Early Childhood Direction Centers** (ECDC), son programas sostenidos por el Departamento de Educación del Estado de Nueva York, que proporcionan servicios de información y referidos gratis y confidenciales a padres y profesionales para niños (as) con retrasos del desarrollo sospechados o diagnosticados. En la ciudad de Nueva York hay un ECDC en cada condado. Niños (as) de familias que se refieren al ECDC deben vivir en ese condado y tener entre 0 y 5 años de edad. <http://www.p12.nysed.gov/specialized/techassist/ecdc/home.html>

El personal del **ECDC** le ayuda a obtener información sobre y/o remisión a:

- Servicios diagnósticos y de evaluación
- Servicios de intervención temprana para infantes y niños
- Servicios especiales pre-escolares
- Transición a Servicios Escolares de Educación Especial
- Centros de cuidado para niños, Head Start y otros Centros Educativos para la Niñez
- Servicios de apoyo para las familias
- Servicios médicos, dentales y de salud
- Derechos

Los **ECDC** proveen servicios que incluyen:

- Conectar niños y familias a los servicios disponible, apoyos y programas en la ciudad de Nueva York
- Referir a las agencias y los profesionales que proveen servicios a niños con necesidades especiales y a sus familias
- Referir a infantes y niños al programa de Intervención Temprana de Nueva York (EI)
- Referir a niños al Comité de la Educación Especial Preescolar (CPSE)
- Contacto por teléfono con las familias hasta que el niño tenga los cinco años
- Talleres y recursos para familias y profesionales
- Asistencia técnica para centros educativos para la niñez

BRONX

Early Childhood Direction Center
AHRC New York City
2488 Grand Concourse, Room 303
Bronx, NY 10458
718-584-0658

ecdcbronx@yahoo.com

<http://www.ahrcnyc.org/services/services-by-type/bronxeearlychildhood.html>

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ksamet@ucpnyc.org

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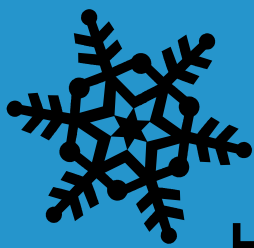
STATEN ISLAND

Early Childhood Direction Center
Staten Island University Hospital
242 Mason Avenue, 1st Floor
Staten Island, NY 10305

718-226-6670

ecdc@siuh.edu

<http://www.siuh.edu/childhood>



Symposium Invitation

Expanding Opportunities in Head Start and Early Childhood Programs:

Cross-Systems Collaboration to Support the Inclusion of Preschool Children with Disabilities

January 14, 2014

8:30 am—1:00 pm

NYU Kimmel Center, 4th Floor, Eisner & Lubin Auditorium
60 Washington Square South, NY, NY (at LaGuardia Place)



Registration is limited to two people per agency.

The intended audience is
the people who supervise
the disabilities component
for the agency.

Please register by **1/8/2014**

Click [HERE](#) to register.

Seating is limited so
please register early to
reserve your seat.

*For weather related cancellation,
please listen for NYC DOE*

*announcements - the conference
will occur unless NYC public
schools are closed.*



Agenda

Speakers on the following Topics:

- ◆ Serving children with Disabilities in Head Start: Past, Present and Future Goals
- ◆ Implementation of Education Law and Regulations:
Federal (IDEA), New York State and New York City Regulations
- ◆ EarlyLearn NYC: Policy & Practice
- ◆ Implementing Head Start Performance Standards

Panel Presentations & Table Discussions

- Special Education Process & Where to go for Help
- What's in your Disabilities Service Plan to Support Collaborations?
- Engaging Parents in the CPSE process

Please Join the Symposium Presenters & Partners:

- ◆ NYC Administration for Children's Services
- ◆ New York State Education Department: Office of Special Education
- ◆ NYU Steinhardt, Department of Teaching and Learning
- ◆ Advocates for Children of New York
- ◆ New York State Head Start Collaboration Office
- ◆ Early Childhood Direction Centers in NYC
- ◆ New York City Department of Education: Division of Special Education
- ◆ New York Head Start State Training and Technical Assistance Center





Engaging Families & Supporting Young Children

Webinar & toolkit now available at:

<http://www.nysecac.org/priorities/strong-families/strong-families-work-group/family-engagement-webinar-and-tool-kit/>

Presented by Dr. Mary McKay, Professor and Director of the McSilver Institute for Poverty Policy & Research at New York University

The ECAC has just made available a web-based training video on Engaging Families and Supporting Young Children. The purpose of this web-based training is to support staff at all levels to develop and enhance skills that maximize family engagement and partnership across a range of provider organizations and settings serving young children and their families. As all professionals who work with young children know, parents are critical influences on the early development of their children. Parents have a consistent presence in their children's life when they are young and are more able to influence their child's health development and early learning.

The Early Childhood Advisory Council (ECAC) Strong Families Workgroup believes that meaningful family engagement promotes better outcomes for programs, children, and families. Research supports that positive child outcomes are tied to strong family involvement. The work group seeks to strengthen and support parent's voice in shaping policies and programs that impact on children and families. To this end, we strive to help build family partnerships and coordinate family engagement efforts across state agencies and in the programs that fund and regulate. The focus of the Work Group continues to be to encourage positive parent-child relationships and offer strategies that lead to meaningful family engagement.

Program and services that support family engagement are based on a set of values that are a shift from the previous understanding that inviting families to participate with their children is adequate. At the core of these values is the belief that all families have strengths. Furthermore, a growing body of research informs us that to achieve desired outcomes, families are integral to the process of setting goals, designing services, and making decisions. Finally, families are empowered to take an active role in their child's development and to recognize their strengths, needs and resources.

Toy Safety Tips

Think Toy Safety

Play is an important part of a child's growth and development, but some toys can cause serious injuries if they are broken or used incorrectly. To keep your children safe:

- Watch young children closely when they play
- Choose the right toy for the right age
- Use safety equipment for riding toys



The Right Toy for the Right Age

Read labels to choose toys that match your child's age and skill. Keep toys for older kids out of reach of babies and toddlers. Always follow the manufacturer's directions.

Protect Babies and Young Children

Watch out for hazards that can harm a child:

- Flat or popped balloons can suffocate a child if swallowed
- Small parts on toys can be swallowed and cause a child to choke
- Easily reached small batteries and magnetic toy parts cause internal injuries if swallowed
- Long cords can strangle a child
- Plastic bags and packaging bags can suffocate a child if placed over head or mouth
- Sharp edges can cut skin
- Air rockets, darts, and other shooting toys can cause eye injuries
- Adult jewelry that contains lead can cause lead poisoning if mouthed or swallowed

Use Safety Equipment with Ride-on Toys



Children should always use a helmet and other safety equipment like knee and elbow pads when riding a bicycle, scooter, skateboard, or skates. It's the law in New York State for children under 14 years of age to wear a helmet when riding a bike!

Do Not Use Recalled Toys

Never buy or give away recalled toys. Throw away recalled toys as well as broken toys that cannot be fixed. Check the following websites to see which toys have been recalled:

- U.S. Consumer Product Safety Commission: www.recalls.gov
- New York State Department of Health:
www.health.ny.gov/environmental/children/recalls.htm

For more information, call 311 and ask for the Healthy Homes/Lead Poisoning Prevention Program

Consejos de Seguridad De los Juguetes

Piense Sobre la Seguridad De los Juguetes

El juego es una parte importante del crecimiento y desarrollo del niño, pero algunos juguetes pueden causar daños serios si se rompen o son usados incorrectamente. Para mantener a los niños seguros:

- Vigile a los niños cuando estén jugando
- Elija el juguete correcto para la edad correcta
- Use equipo de seguridad para juguetes que los niños puedan montar



El Juguete Correcto para la Edad Correcta

Lea las etiquetas para elegir juguetes que correspondan a la edad y destreza de su niño. Mantenga los juguetes para los niños mayores fuera del alcance de los bebés y niños pequeños. Siempre siga las instrucciones del fabricante.

Proteja a los Bebés y a los Niños Pequeños

Tenga cuidado con los riesgos de seguridad que pueden ser dañinos para el niño:

- Los globos/vejigas desinfladas o reventadas pueden sofocar al niño si se las traga
- Las partes pequeñas de los juguetes pueden ser tragadas y asfixiar al niño
- Las pilas/baterías pequeñas y partes magnéticas de los juguetes que se puedan alcanzar fácilmente pueden causar lesiones internas si son tragadas
- Las cuerdas/cordones largos pueden estrangular al niño
- Las bolsas plásticas y bolsas de envoltura pueden asfixiar al niño si se colocan sobre la cabeza o boca
- Los bordes filosos pueden cortar la piel
- Los cohetes, dardos, y otros juguetes de tiro pueden causar daño en el ojo
- La joyería para adultos que contiene plomo puede causar envenenamiento por plomo si se pone en la boca o es tragada



Use Equipo de Seguridad para Juguetes que los Niños Montan

Los niños siempre deben usar un casco u otro equipo de seguridad como rodilleras y coderas cuando se montan en una bicicleta, patinete (scooter), patineta (skateboard) o patines (skates). ¡Es la ley en el Estado de Nueva York que los niños menores de 14 años deben usar un casco cuando monten bicicleta!

No Use Juguetes que han sido Retirados del Mercado

Nunca compre o regale juguetes que han sido retirados del mercado. Bote a la basura juguetes que han sido retirados del mercado y juguetes rotos que no se pueden arreglar. Visite las páginas web siguientes para ver cuales juguetes han sido retirados:

- La Comisión para la Seguridad de los Productos de Consumo de los Estados Unidos (U.S. Consumer Product Safety Commission): www.recalls.gov
- El Departamento de Salud del Estado de Nueva York (New York State Department of Health): www.health.ny.gov/environmental/children/recalls.htm

Para más información, llame al 311 y pregunte por el Programa de Hogares Saludables.



CONFERENCE SAVE THE DATE

The NYC Department of Health & Mental Hygiene and
New York Association of Psychiatric Rehabilitation Services (NYAPRS)

Behavioral Health Care Reform and Culturally Competent Care: A Closer Look

February 28, 2014 - Silberman School of Social Work at Hunter College

This NYC community event is for consumers, peer specialists, program staff, policy makers and all stakeholders interested in learning more about the impact of health care reform on diverse communities.

Presenters include:

Adam Karpati, M.D. M.P.H.

Executive Deputy Commissioner, NYC Department of Health and Mental Hygiene

Arthur C. Evans, Ph.D. (keynote)

*Philadelphia Commissioner of the Department of
Behavioral Health and Intellectual disAbility Services (DBHIDS)*

Harvey Rosenthal

Executive Director, New York Association of Psychiatric Rehabilitation Services

Workshop Topics Include:

- ✓ The business case for cultural & linguistic competence in managed care
- ✓ Knowing your rights and responsibilities in a changing health care system
- ✓ Data informed and research based practices to better serve our diverse communities
- ✓ Culturally competent outreach and engagement strategies
- ✓ Understanding the needs of diverse cultural groups
- ✓ The role of peer specialist in creating a more culturally competent workforce

Registration is required

Information will be available in January 2014.

Inquiries regarding this event can be e-mailed to oca@health.nyc.gov

Special thanks to the Silberman School of Social Work at Hunter College for their support of this event.

Conference Planning Committee

New York Association of Psychiatric Rehabilitation Services, New York State Office of Mental Health-Bureau of Cultural Competence, New York City Department of Health & Mental Hygiene- Office of Consumer Affairs, FECS Health & Human Services, NYC Health & Hospitals Corporation, NAMI- East Flatbush Inc., Nathan Kline Institute Center of Excellence in Culturally Competent Mental Health, New York State Psychiatric Institute Center of Excellence for Cultural Competence, The Coalition for Behavioral Health Agencies Inc., Center for Practice Innovations at Columbia Psychiatry- New York State Psychiatric Institute

Early Childhood Social-Emotional Development: Building Healthy Foundations For A Lifetime of Success

By Lily M. Tom, DSW, Assistant Commissioner, Bureau of Children, Youth, and Families, NYC Department of Health and Mental Hygiene

A seminal publication in 2000 *From Neurons to Neighborhoods, The Science of Early Childhood Development* has established the importance of early childhood experiences on lifelong well-being (JP Shonkoff & DA Phillips, Eds., 2000). Ongoing research continues to demonstrate that the early years in life are a critical period for physical and emotional development and health. Young children's cognitive, language, motor, and social-emotional development are greatly shaped by environmental influences as well as their relationships with parents and caregivers. Infants and toddlers learn to express and manage emotions, explore the environment, and gain knowledge by having close and secure attachments with parents and caregivers (Zero to Three, 2012). Growing evidence shows that negative early experiences impact brain development and can lead to biological adaptations with lasting ill effects. These disruptions to development, if not met with nurturing adult support can persist into adolescence and adulthood, and research shows, can cause both physical and mental health impairments later in life. Therefore, promoting positive early childhood mental health and psychological well-being creates a foundation to support children to be successful in school, social relationships, and as adults in work, family life, and society.

Early experiences impact the developing brain and the stress response and immune system (SB Johnson, et al., 2013). Young children exposed to challenging circumstances such as poverty, domestic violence or abuse are likely to have an activated biological stress response system. Research indicates that if this stress is not matched by buffered protection with support from invested adults, then the child's stress-response system is not restored to baseline, and this can lead to disruption to the brain architecture, which adversely affects other organs, and contributes to an increased risk for persistence of problems into adulthood (JP Shonkoff, 2010). This prolonged stress resulting from intense adversities has been called toxic stress.

Further, there is extensive evidence from research on adults and over time, that childhood adversities and trauma are linked to adult disease and illness. The Adverse Childhood Experiences (ACE) study has found associations between childhood trauma such as abuse, neglect or family dysfunction and later health and well-being including risky behaviors, depression, suicide attempts, illicit drug use, alcoholism, and health conditions such as lung, liver and heart disease throughout the lifespan (ACE Study, CDC, www.cdc.gov/ace/index.htm). The more types of adversity an individual experiences in childhood, the greater the likelihood that he/she will develop one of these conditions in adulthood.



Making early investments in children's well-being has long-term health, mental health and social benefits for individuals, communities and society. Cost-benefit studies show that there are positive returns on high quality early childhood programs for at risk children. The Center on the Developing Child at Harvard University reports that "Three of the most rigorous long-term studies found a range of returns between \$4 and \$9 for every dollar invested in early learning programs for low-income children. Program participants followed into adulthood benefited from increased earnings while the public saw returns in the form of reduced special education, welfare, and crime costs, and increased tax revenues from program participants later in life" (Five Numbers to Remember About Early Childhood Development, 2007). Ensuring children have positive experiences before they reach school is likely to lead to better outcomes in adolescence and adulthood, generating a worthwhile return on investment.

The NYC Department of Health and Mental Hygiene (DOHMH), has the opportunity to focus on early childhood mental health through NYC Project LAUNCH (Linking Actions for Unmet Needs in Children's Health), a five-year project funded by the Substance Abuse and Mental Health Services Administration. NYC Project LAUNCH promotes social and emotional development and provides services in two high-need neighborhoods, East Harlem in Manhattan and Hunts Point in the Bronx, for children from birth through eight years and their families.

Because the parent-child relationship is critical to child's social and emotional development, NYC Project LAUNCH provides parenting classes that promotes attachment. Using the evidence-informed Circle of Security® Parenting Program, Family Advocates from Family Resource Centers provide an eight-week model focused on teaching parents with young children (ages 0-5 years of age) to recognize their own strengths and challenges around parenting and to improve their responsiveness to their children's needs. Group sessions involve participants responding to videos of parent-child interac-

tions and examples of healthy caregiving with reflective dialogue, story sharing, and interactive exercises.

It is also important to support providers and systems that serve children and families such as in primary care and early care and education settings. Providing mental health services in primary care settings can increase early identification, access to services and normalize and destigmatize behavioral health care. Young children routinely go to their primary care provider for well-child visits, and social and emotional development (mental health) is an important domain to be integrated into this care. A recent report by the SAMHSA-HRSA Center for Integrated Health Solutions says, "Most children and youth with mental health conditions that result in functional problems are more likely to be seen in their primary care setting than in the specialty mental health system" (Integrating Behavioral Health and Primary Care for Children and Youth, 2013). Through NYC Project LAUNCH, we are providing mental health screening, consultation, evaluation, short term treatment, and referrals for young children within pediatric clinics at a municipal hospital and at a Federally Qualified Health Center by co-locating mental health clinicians in these settings. Social and emotional development screening is conducted by using standardized measures (Ages and Stages Questionnaire: Social-Emotional and Pediatric Symptom Checklist). When there is a positive screen or other concern, the mental health consultant provides consultation to staff and families, and when indicated makes referrals to resources that may include mental health, Early Intervention or the Committee on Preschool Special Education.

Mental health consultation in early care and education settings, such as preschools and childcare, is another approach that can offset challenges to social and emotional development and provide the education workforce and families with tools to promote psychological well-being in young children. NYC Project LAUNCH also provides mental health consultation in select childcare sites that offers overall consultation to school staff

to improve classroom management, communication with families, and provide an educational environment that supports children's social and emotional health. The mental health clinician also works with school staff when a child is exhibiting emotional or behavioral concerns by conducting screening with standardized tools, consulting to staff and families regarding specific concerns, and making referrals in collaboration with school staff to other services such as mental health or the Committee on Preschool Special Education. This model works by providing training and support to school staff so that over time they can become better informed about mental health and competent in providing quality childcare that address social and emotional development once the consultant leaves the school setting.

In addition, at childcare settings, NYC Project LAUNCH trains teachers by using an evidence-based curriculum, Incredible Years, to acquire skills that promote positive interactions among children, and develop a culture that promotes positive behaviors and builds self-esteem and confidence in children. "Research studies show positive outcomes related to [Early Childhood Mental Health Consultation] ECMHC services, including a decrease in parental and teacher stress and an increase in the competence among childcare and preschool staff to recognize and address challenging behavior, reduce young children's expulsions and reduce children's externalizing behaviors such as aggression" (Project LAUNCH Technical Assistance Series, Brief 1: Early Childhood Mental Health Consultation).

As part of the NYC Project LAUNCH program evaluation, we are tracking outcomes to assess the impact of these interventions and services. For example, we are measuring the impact of the mental health consultation and teacher training on students in the childcare settings by examining improvements in children's behavior such as self-control, attention, and ability to form positive relationships. We are also measuring the impact of the parenting classes on parent participants' parent-childhood relationship and parent stress. These results will help us identify strategies and interventions that produce improved outcomes and will benefit from ongoing support.

The sustainability of this initiative will be critical to the success of NYC Project LAUNCH. One strategy is leveraging existing resources to build capacity for mental health clinicians to treat young children in evidence-based treatment models. Additionally, New York State Medicaid Redesign presents an opportunity for us to advocate for policies in Medicaid managed care that will promote and reimburse collaborative care models that integrate mental health services into pediatric primary care settings. We are advocating for services such as mental health consultation, and evidence-based treatment for the youngest children. We are also working to continue our partnerships with colleagues who serve young

see *Childhood* on page 36

People from page 14

social interventions to address them. Ignoring the powerful personal motives for using will subvert well-meaning efforts to support positive change.

Social Collusion with Addictive Dissociation

Might our culture's tendency to neglect or ignore the multiple meanings of addictive behavior actually collude with and reinforce it? If addictive behavior expresses meaningful aspects of the self that the user disowns, might the cultural ignorance of the disowned meaning support the disowning of meaning in the user? The relatively greater national emphasis on punishing and incarcerating drug users and sellers and trying to get drugs off the street, an absurd and impossible fantasy, rather than emphasizing treatment and education reflects this ignoring of the meaning dimension. The "drug war", against heroin in the 60s and 70s, crack in the 80s, crystal meth in the 90s, focused on the drug rather than the question of why are so many people drawn to these potentially devastating substances and other risky activities? I believe that in the minds and writings of addiction as brain disease advocates, their model does not preclude meaning but without an equally loud and clear proclamation that addictive behavior is meaningful activity, the brain disease statements can be interpreted to mean addictive be-

havior is a purely biological phenomenon that can be treated by purely biological methods: abstinence and medications.

So let's remember that people use substances initially and throughout their using careers for multiple meaningful reasons that must be understood and respected so that they can be brought into treatment in ways that make new solutions and modes of expression possible. This renders substance use less appealing and vital to the user and supports an integrative treatment approach that addresses all aspects of the person involved with problematic substance use.

Dr. Tatarsky is Founder and Director of the Center for Optimal Living in NYC, a treatment and professional training center based on Integrative Harm Reduction Therapy (IHRP) for the spectrum of substance misuse and other high-risk behaviors. He is a Clinical Advisor to the Office of Alcoholism and Substance Abuse Services of New York State, Founding board member and President-Elect of the Division on Addiction of New York State Psychological Association, Chairman of the Board of Moderation Management Network, founding board member of Association for Harm Reduction Therapy and Chairman of Mental Health Professionals in Harm Reduction and Faculty, Advanced Specialization in Family and Couple Therapy, The Post-doctoral Program in Psychotherapy and Psychoanalysis, New York University. This article was reprinted from Professional Voices on thefix.com, October 12, 2012.

Childhood from page 6

children in other systems to improve services to these children and their families in a more coordinated way.

NYC DOHMH recognizes the importance of ensuring the youngest children with mental health needs are

able to get their needs met as early as possible. As the body of science grows and there is increasing awareness of the mental health needs of young children and their families, we are continuously striving to meet the needs of the youngest New Yorkers and their families.

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Steve Vernon,
Director - Drop-In Center



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(914) 939-2878



Bank Street's Early Care and Education Programs Professional Development & CDA Renewal Classes

Professional development is a continuum of learning and support activities to prepare Early Childhood Teachers and Assistant teachers to work with young children and their families as well as having ongoing experiences to enhance their work.

Bank Street features:

- Cutting-edge information from distinguished Bank Street faculty.
- Eligibility for Continuing Education Units (CEUs) to help document your professional development.
- A certificate of completion indicating hours of training.

Integrated Curriculum: Early Childhood Brain Development, Block Building, and Math & Science - \$450 - (1.5 CEUs)

Instructor: Karin Sperb

- *Let's explore Brain Development!* There has been a lot of research on the topic, but why should you learn about synapses and brainstress? In this workshop you will learn how children's brain is wired for social interactions, and how children's experiences with you make all the difference for a healthy brain.
(Saturday, January 25th, 2014, 10am-3pm)
- *Let's explore Block Building!* This workshop will explore strategies to promote child development in the areas of social-emotional, physical, cognitive, and language development. Learn about the different stages that each child goes through when playing with blocks. This is a hands-on experience, so come prepared to play as a group on the floor.
(Saturday, February 1st, 2014, 10am-3pm)
- *Let's explore Math and Science!* Create opportunities for preschool children to explore and investigate the domains of mathematics and science. In this workshop we will enjoy the adventures and discoveries that can promote logical thinking.
(Saturday, February 8th, 2014, 10am-3pm)

- Hands-on learning through investigation and inquiry.
- A focus on early learning guidelines and standards.
- Guidance to students during the EIP application process. *Scholarship is available for applicants who meet the SUNY NY State Child Care Educational Incentive Program (EIP).*

The Biting Solution: Proven Methods of Teaching Toddlers and Preschoolers Positive Ways to Deal With Everyday Problems - \$450 - (1.5 CEUs)

Thursdays - January 30th, February 6th, 13th, 20th, & 27th, 5:30pm-8:30pm

Instructor: Lisa Poelle

Book fee: \$13.95

In this course, students will learn how to use a "consultative approach" to deal successfully with all types of challenging behaviors, such as biting, hitting, pushing, etc. Through presentations and discussions that include many actual case studies, students will learn how to recognize and avoid the common pitfalls to solving behavior problems. They will learn how to make targeted observations, ask themselves the right questions, and gather pertinent data leading to a customized plan of action. They will learn how to prevent problems, teach pro-social skills, involve parents, and intervene more effectively during a conflict. Students will have an opportunity to design solutions to behavior problems in their workplace.

Touchpoints Early Childhood Training - \$550 - (1.5 CEUs)

Monday, January 13th & Tuesday, January 14th, 2014, 8:30am-5:30pm

Instructor: Touchpoints Staff Developers

Book fee: \$40

This training is intended for individuals seeking to obtain new knowledge and skills to improve their practice with families and young children in an early childhood setting. It will introduce the Touchpoints concepts and strategies, particularly the development of children birth to six years. T. Berry Brazelton's goal is that parents everywhere work with responsive providers, feel confident in their parenting role, and form strong, resilient attachments with their children.



Partners in Early Learning: A Letter to Parents and Teachers Request Form

We are excited to share this publication with programs to support the important work of engaging families. If you are interested in obtaining free copies of this publication, please send this form along with the answers to the two questions (on the reverse) to Louisa.Higgins@mail.cuny.edu with "Partners in Early Learning" in the subject line.

Date:

First Name:

Last Name:

Program:

Phone Number:

Fax Number:

Email Address:

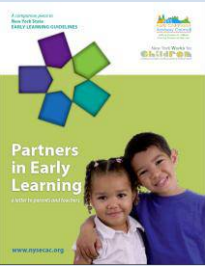
Mailing Address:

Street Address

City

State

Zip Code

Item	Number of Children in Program	Amount Requested
	<p>_____</p>	<p>_____ English Copies</p> <p>_____ Spanish Copies</p>

For assistance or additional information please contact:
Louisa Higgins at (718) 254-7326 or Louisa.Higgins@mail.cuny.edu

Please write a paragraph in response to the following questions:

1. What is your plan to familiarize your staff with the Partners in Early Learning document?
2. How do you plan on sharing this document with families?



Partners in Early Learning

a letter to parents and teachers



Dear Parent and Teacher,

You both want the best start for the one-of-a-kind, amazing young child whose early education is in your hands, at home and school*. This means working together as partners to support “your” child’s learning and development.

Your relationship shapes your child’s experiences in school. Like any relationship it will take some time to develop. We guarantee there will be moments of shared delight and differences to resolve. But the effort you put into your relationship and working together will benefit “your” child. We say “your” child because for the next year(s), you are both members of the child’s team. Though you play very different roles (there is more about this below), the child needs both of you to work together in her best interest.

Young children have an amazing ability to tune into their important adults. A child will benefit when she sees and feels that you respect each other. It is as if your relationship is a bridge connecting her worlds at home and school. She feels safe and secure. This in turn frees her to explore, experiment and learn.

Because you are both so important to a child, she is always learning from you. Here are some examples, in her words, of what she may have learned from you today:

When you:	A child may be learning:
Smile to share an infant’s pleasure in banging a cardboard box and making a sound.	“It is fun and exciting to learn new things.”
Ask, “Do you want your bottle?” when a toddler says “Ba..ba” and points to the refrigerator. Then give it to her.	“This person listens to me. I am important to her.” “I can get my message across. That makes me want to “talk” more.”
Talk with a preschooler about how her cereal is different after she adds milk.	“An action I take can cause something else to happen.” (cause and effect)
Invite a kindergarten child to add an item to the shopping list by drawing, writing or scribbling.	“ I can be helpful.” “These lines mean ‘milk’. I am a writer. What else can I write?”

(*Note: We are using the word “school” for any early education setting including child care, family child care, Head Start, family child care, nursery school, pre-K, or kindergarten.)



The more you learn together about a child and how she develops and learns, the better you can support her. The New York State Early Learning Guidelines (The Guidelines) can help. Take a look and you will see they are a list of developmental milestones. They paint a picture of a path of development from birth through age 5 so you can see where a child is today and where she might be months from now. The Guidelines also include some activity ideas to support development and learning at different ages and stages.

As you read this letter, we invite you to talk together about:

- ❖ Who is who in a child's life
- ❖ How young children learn and grow
- ❖ How you can work together to:
 - Share what you know about your child
 - Create connections between home and school
 - Observe to extend your child's learning
 - Respond to challenging behavior in positive ways
- ❖ How to support each other and strengthen your partnership in your child's best interests
- ❖ Show your appreciation and respect for one another
- ❖ Talk about what to do when you disagree – before you disagree

WHO IS WHO IN A CHILD'S LIFE

As a parent, you are part of your child's life across the years and miles. No one can take your place. Your child trusts you to be there no matter what she does or feels. That is why she can be her happiest, silliest, saddest and angriest with you. (It is also why hellos and goodbyes at the beginning and end of day can sometimes be so emotional.)

Your relationship is a working model for every other relationship in your child's life. When you treat her with kindness and respect, she learns to treat others in that way and to expect the same in return.

Your passion runs deep. This can make it difficult, if not impossible to step back and be objective. It can sometimes pose a challenge when you and a teacher have different views. But this is the way it should be. Every child needs at least one adult who is crazy in love with them.

You know information that is unique to your child. For example, her favorite foods, song, toys and games. You know what scares and frustrates her and how best to comfort her. You know her health history. You also know her latest accomplishments and if there are any changes in her home life.

As a teacher, your role in a child's life is more temporary, though your influence may be lasting. Your relationship is one of the first, major ongoing relationships outside family that deepens a child's understanding of what to expect from other people.

You can be more objective than parents. (Though not when it comes to your own child(ren) if you are a parent.)

The information you bring to your partnership with parents is grounded in your professional education and your experience with children of the same age(s). You know about development: that a toddler will be toilet trained – eventually – and that a preschooler's scribbles are a stage in learning to write. You know about activities to promote learning and how to work with children in a group setting.



Did you know?

A baby who makes marks on a paper is starting to write? (Page 113. Domain V: Language, Communication and Literacy. P: Writing. Alphabet Knowledge.)

A two year old who chooses the yellow digger instead of the red fire engine is showing critical thinking skills of comparing, contrasting and evaluating and choosing. (Page 69. Domain IV: Cognition and General Knowledge. B: Critical and Analytic Thinking.)

A kindergartener who says, "The sun is out today. I'm happy we can go outside to play," is showing growing ability to observe and describe characteristics of the environment and to express emotions. (Page 80. Domain IV: Cognition and General Knowledge. M: Scientific Knowledge and Page 54. Domain II: Social and Emotional Development. P: Emotional Expression.)

HOW YOUNG CHILDREN LEARN AND GROW: THE BASICS

Babies are born ready and eager to learn. They are driven to practice and master new skills like rolling over, sitting, walking, writing their names. It is our job, as adults, to fuel their inborn curiosity and desire to learn. You do this when you provide them with:

- ❖ Safe and interesting settings, toys and materials to explore. For example, invite Baili (23 months) to help you measure ingredients to make pancakes.
- ❖ Space and time to explore and discover. For example, give Jorge (5 months) the chance to reach his rattle that has rolled a few inches away.
- ❖ Experiences and props to move learning a step forward. For example, offer Allie who is 4 ½ a pad of paper and pencil so she can take orders in the restaurant she has set up with her friends.

And most important of all: A caring trusting relationship with you!

Development follows reasonably predictable patterns. Yet each child develops at their own pace in a way that reveals their own personal interests, strengths, needs and personality.

To help understand the complex process of development, experts have divided it into areas or domains. This allows you to focus on one aspect of a child's development even though in reality they are all interconnected.

The NYS Early Learning Guidelines: A resource for your work together

The Guidelines can help you work together. They:

- ❖ **Invite you to appreciate how much a child knows and can do.** Appreciating a child leads to respect and even stronger, more positive relationships between you and with the child.
- ❖ **Give you a common language** as you share information and talk about a child's development and learning.
- ❖ **Are a reference you can check out together when you have a question about how children develop and learn.**



The NYS Early Learning Guidelines: A Resource for Your Work Together

The Guidelines are divided into the following areas or domains of development:

Domain I

Physical Well-Being, Health and Motor Development. Look in this domain if you want to know more about a child's developing:

- ✿ Ability to move and control parts of his body
- ✿ Attitudes and habits that can lead to an active, healthy lifestyle
- ✿ Competence in daily living skills such as dressing and tooth brushing
- ✿ Ability to recognize and try new and healthy foods
- ✿ Awareness of how to stay safe

Domain II

Social and Emotional Development. This domain includes information about a child's developing:

- ✿ Ability to create ongoing relationships with adults and other children
- ✿ Ability to recognize, express and manage their feelings and to understand and respond to the feelings of others

Domain III

Approaches to Learning. This domain focuses on a child's developing:

- ✿ Interest in and desire to learn new information (Curiosity and Interest)
- ✿ Willingness to be involved (Initiative)
- ✿ Ability to remain focused even when distracted or frustrated (Persistence and Attentiveness)
- ✿ Ability to go beyond the concrete to explore and play with ideas (Creativity and Inventiveness)
- ✿ Ability to think about, understand and apply information to new situations (Reflection and Interpretation)

Domain IV:

Cognition and General Knowledge. This domain provides you with information on how children think and what children know about a wide variety of topics including measurement, geography, economics and family.

Domain V:

Language, Communication and Literacy. This domain focuses on a child's growing ability to:

- ✿ Communicate
- ✿ Read
- ✿ Write

WORKING TOGETHER DAY BY DAY

Share What You Know

You each know different kinds of information about the child. Sharing that information will give each of you a more complete picture of a child than either of you could have alone.

You will be surprised at how much information you can share in **brief exchanges** over time. For example: At the beginning or end of the day. In a note or by phone or e-mail.

There will also be times you **plan ahead to sit down together to meet**. A program may set a conference schedule, say at the beginning, middle and end of the year. But a conference can happen at any time. Whenever one of you has something about a child's development that you want to discuss about in-depth, arrange a time to sit down, have a cup of coffee and talk together.

Information to share at the beginning of the year

The beginning of the year is a busy time. Like any big change in life, it can stir up deep feelings for children and adults alike that may include excitement, worry, happiness and sadness.

Sharing information can help you get your child's year off to a safe and good beginning. It will also get your partnership off on the right foot. Here are some key points to share and space for you to add your own ideas:



If you are a parent, it's very helpful if you share your thoughts and information about:	If you are a teacher, share information about you and your program...
- Your hopes and dreams for her in school. What do you hope she experiences and learns? What do you hope to experience and learn?	- Your hopes and goals for what children and families will experience and learn.
- Your home life. Who lives in your home? Do you have pets? How do you and your child spend your weekends?	- A little about yourself. How long have you been teaching? What do you like most about teaching young children? Do you have a child(ren)?
- Your child's health history. Does she have allergies? Take medication?	- Program policies. Opening and closing times. What to do when a child is sick. Permissions for picking a child up, school trips.
- Daily routines. How and when do you feed her? Help her fall asleep?	- Daily routines. How do they work? What do parents need to supply?
- Your child's preferences. What are her favorite foods, toys, games, songs? How does she like to be comforted? Does she have a "lovey" (a stuffed animal or blanket that gives her comfort)?	- A wide variety of ways parents can contribute to their child's experience in school.
- Your child's strengths. Those qualities that make you think, "wow!" such as her sense of humor, persistence, ability to engage with others, response to music	- Learning opportunities the program offers during daily routines, indoor and outdoor play, planned activities.
- Questions or worries you may have. Maybe she doesn't sleep through the night, perhaps she has been having wetting accidents or hitting other children.	- Questions you may have about a child's health, routines or behavior.

Here's some space for you to add your own ideas:

parents	teachers

Information to share day by day

Information you share at the beginning and end of the day, will help you better meet your child's needs –at school and at home. Points to share with each other include:

- ❖ **When did a child last eat and how much?** Knowing if a child is hungry can lead a parent or teacher to offer a snack and/or change mealtime.
- ❖ **How did a child sleep –overnight or during naptime?** Knowing this can lead a parent or teacher to expect possible crankiness and/or to offer quiet time or an early bed or naptime.
- ❖ **Are there changes in a child's life – at home or school?** For example: Is a parent going away on a business trip or deployment? Are Grandparents visiting? Is there a substitute teacher at school? Is there a new class pet? This information allows a parent or teacher to help a child cope with and/or enjoy the change.

Create Connections Between Home and School

To help make the shift between home and child care easier for your child:

- ❖ Use photos. Hang contact-covered family photos on the wall at childcare and photos of teachers and friends from school on the refrigerator at home.
- ❖ Talk with her about people and events in both places.
- ❖ Play the same music and read the same books in both settings.
- ❖ Let your toddler have her "lovey". It may be a stuffed rabbit or fish. Or a favorite blanket or doll. Transitional objects or "loveys" allow a child to carry the feelings of safety and security of home with her as she settles into school or deals with a rough time. If you start to feel it is getting in the way of her participating in activities, talk together and make a plan with her to keep it in a safe place at school.



Sharing Information

What information do you have to share about your child?

When, Where and How will you share that information?



Making Connections

How can you work together to build a bridge between a child's worlds at home and school?

Concerned About a Child's Development or Behavior?

As you observe children, you can compare what you see a child do to the descriptions of typical milestones for children of that age. Over time, this may lead you to ask, "Is there an issue with this child's development in a certain area?" If the answer seems to be "yes", continue observing. Record your observations. This will give you documentation to refer to in your work together or when you raise the concern with a specialist.

(Note: While the Guidelines can alert you to a developmental issue, they are not an assessment or screening tool and should never be used in this way.)



Observe to Extend Your Child's Learning

Young children are always developing and changing. There is always something new to learn about them. Observing gives you information you need to decide how you can work together to support development and extend learning.

What is observing? Observing is watching and listening from the outside to try to understand what your child is experiencing on the inside.

When and where to observe? You can observe children any time, at home, at school, indoors and outdoors, during daily routines, playtime and activities you plan.

If you are together, give each other a nod or tap on the shoulder so you can pay attention to the same behavior. If not, share what you saw and talk about it together.

How to observe?

Here are two basic steps to observing:

- ❖ As you watch a child, ask yourself, "What is _____ (child's name) thinking or learning?"
- ❖ Look for clues to the answer in a child's facial expression, gestures, sounds and words and actions.

Use what you observe to extend learning

Extending learning means building on what children know and providing an opportunity to move learning a tiny step forward. There are ideas for how to extend learning in the Guidelines. You will come up with others.

When you observe...	You may extend learning in school or at home when you decide to:
Yasvita (7 months) looks then reaches for toys, objects and her bottle with both hands. (Physical Well-Being, Health and Motor Development: D. Fine Motor)	Have a conversation: Offer her safe, interesting objects to hold and explore. Sit in the rocking chair with her, talking to her quietly as she enjoys holding on to her bottle during her after-nap snack
Julian (16 months) uses a bucket to carry 4 blocks across the room. (Cognition and General Knowledge: D. Problem-Solving)	Help him see himself as a thinker: Say "That was good thinking to carry all those blocks all the way over here in a bucket."
Kaylee (22 months) smiles as she looks in the mirror, puts on a hat, picks up a pocketbook and looks at you. (Approaches toward Learning: D. Creativity and Inventiveness)	Play pretend: Wave "bye-bye" and say, "You are wearing a hat. Are you going to work? I'll see you when you come back" when she waves bye, then walks across the room. Show your delight as you greet her when she returns.
Jeremy (31 months) uses the toilet -- when you remind him. (Physical well-being, Health and Motor Development: G. Daily Living Skills: Hygiene)	Solve a problem together: Gently and respectfully remind him that he hasn't gone to the toilet for awhile. Offer him your hand and suggest you walk to the bathroom together like you did last time.
Souveyana (42 months) estimates size during a walk in the park when she says, "I'm as tall as this bush" (Cognition and General Knowledge: H. Measurement)	Link the new to the familiar: Ask Souveyana to find something in the room that is as tall as she is. Then invite her to draw a picture of herself, then a picture of the object that is the same height.





Respond to Challenging Behaviors in Positive Ways

Young children need adults to help them learn about what is acceptable behavior and what is not. When you set limits in positive, clear and consistent ways, you help your child learn how to control her own behavior and feelings.

It's easier said than done. Your emotions can run high when your child protests, says "no" repeatedly or hits, bites or pushes another child. The Guidelines can help you have realistic expectations of your child's behavior at different ages. This can make it easier to remember that you are on your child's team.

In the chart below, are three examples of challenging behaviors – in a child's voice -- that are part of typical development. You can see where each is found in the Guidelines.

Age Range: Birth to 18 months

When I....	I may be telling you...	Ways you can support my development and learning include ...
Arch my back and protest because I don't want to sit in my highchair (<i>Social and Emotional Development: Social Development L. Self-Concept: Abilities-Preferences</i>)	I don't have the words to tell you that I want to be free to move on my own (to crawl, stand, walk, play). I don't want to be picked up and stuck into that highchair now.	<ul style="list-style-type: none"> - Give me a warning: It's going to be time to go in your highchair in just a few minutes. - Hold me securely so I don't slip out of your arms. - Tell me you understand how I am feeling. Explain that after lunch I can get back down on the floor and play.

Age Range: 18 to 36 months

When I...	I am telling you...	Ways you can support my learning include...
Scream "No!" and throw a toy even though you tell me not to (<i>Social and Emotional Development: Social Development: M. Self-concept</i>)	I am figuring out who I am as a separate person and what I can do. I want to do things my way to a certain point – but I need to you to set some clear limits for me to help me feel safe.	<ul style="list-style-type: none"> - Give me plenty of chances to be independent throughout the day. Invite me to help you set the table for snack. Arrange and label toys on shelves so I can choose what I want to play with. - Ask yourself what I am feeling and thinking. - Give me genuine choices about what to wear, eat and do.

Age Range: 36 to 60 months

When I...	I may be telling you ...	Ways you can support my development and learning include...
Whine, or push another child or grab a toy when I have to wait for my a turn during group activities (<i>Social and Emotional Development: Social Development: N. Self Control: Feelings and Impulses</i>)	I am learning how to play and be with other children. But sometimes I feel so eager or excited that it can be hard for me to wait my turn. I'll need your help.	<p>Let me know I'm doing a good job when you see me waiting for a turn.</p> <p>Assure me that my turn is coming.</p> <p>Figure out a way to make waiting easier for me (e.g., set a timer, sit with me, tell me when I will be next)</p> <p>Step in if you see me getting frustrated with another child or the situation.</p> <p>Have duplicates of favorite toys and equipment and design activities so none of us have to wait too long.</p>



SUPPORT EACH OTHER DAY BY DAY

Show Your Appreciation and Respect for One Another

When you take a few minutes in your busy days to show your appreciation and respect for one another, you strengthen your relationship and model how people work together for your child. It doesn't take much. Here are some examples of small actions that can make a big difference.

- ❖ Say hello and goodbye to each other at the beginning and end of the day.
- ❖ Help each other out. For example, a parent might help pick up toys with their child at the end of the day. A teacher might label drawers, cabinets, and bins so parents can find things they need such as a cup to get their child a drink or their child's favorite toy.
- ❖ Take care of each other. For example, a parent and child might bring in a flower to put on the snack table. A teacher might offer an exhausted parent a cup of tea or gather a child's belongings so a parent doesn't have to go searching at the end of the day.
- ❖ Be on time for each other. Especially teachers at the beginning of the day and parents at the end of the day.

Respond to Challenging Behaviors in Positive Ways

Talk together when your child behaves in challenging ways.

- What does the child do?
- What might the child's behavior be telling you? What is she experiencing? Thinking? Learning?
- What can you say and/or do to let her know you are on her side?
- How can you respond to keep her safe and help the child learn to control her own behavior?



Talk About What to Do When You Disagree – Before You Disagree

If parents of the same child disagree, you can count on the fact that you will have disagreements at times. Whether it is over a missing sock, paint on your child's dress, toilet learning, setting limits or something else, having a plan in mind can help you work things out. Here are some steps to follow:

- ❖ **Count on the fact that you will disagree at times.** It's normal when adults who were raised in different families, perhaps in different cultures and at different times, care about and for the same child.
- ❖ **Be aware that your emotions can run high.** Young children have a way of evoking deep feelings –even when you both want the best for them.
- ❖ **Talk together. Try to put what's wrong into words.** For example: "I tried to explain that I don't want Lee to eat sweets but when I walked in she was eating a piece of someone's birthday cake." Or "In a group setting, it is not healthy to not put a diaper on a toddler."
- ❖ **Listen and ask questions.** Try to understand the other person's perspective.
- ❖ **Make a plan.** Agree on steps you will both take and a time to check in with each other about how things are going.
- ❖ **Check in with each other.** Talk about what is working, what isn't.
- ❖ **Refine your plan as needed** and repeat.

CLOSING THOUGHTS

Working together is a journey. It takes courage, cooperation and commitment to share your knowledge, observations and questions with one another over time. As your relationship grows stronger, you will continue to learn from each other, your observations and the Guidelines. Your child will continue to learn and grow too feeling safe and secure in the presence of people who have her best interests at heart.

The ECAC thanks Amy Laura Dombro for her authorship of this booklet.

ACS & Acelero Learning Working Together to Close the Achievement Gap

Acelero Learning's Program Design and Management (PDM), Early Childhood Education (ECE), and Family Services (FCP) tools have been used at other Head Start programs and are proven to help children make gains at twice the national average for Head Start programs. The key to getting these break out results is effective implementation of these tools integrated across key service areas. Funding from Robin Hood has allowed ACS and Acelero Learning staff to work together to implement these tools with 10 ACS Early Learn Delegates who have officially joined Acelero Learning's SARGE Affiliate Network.

The 10 programs receive intensive support tools, strategies, and support in Early Childhood Education (ECE), Family & Community Partnerships (FCP), and Program Design & Management (PDM). Specific elements of the program include:

- Monthly online webinars for Program Directors and their leadership teams, Early Childhood Specialists, and Family & Community Partnership teams
- In-Person trainings for the above, as well as Family Workers
- Monthly individual implementation support
- Access to an online library of thousands of Early Childhood tools (SARGE - Service Area Resource Guide for Excellence)
- Monthly compliance and quarterly quality reports used by Leadership and Governance groups
- Training on and access to a data system to track the impact that we're making on our families

Program Design and Management

"You can't manage what you don't measure." The oft-quoted maxim is no more relevant than in Head Start and Early Childhood programs. We've given the participating ACS delegates the tools to manage with precision—based on hard-evidence and comprehensive monitoring. Dozens of metrics comprise each program's monthly MBIs (Manage-by-Information Reports), which focus primarily on compliance data, and quarterly MBOs (Manage-by-Outcomes) which tracks child performance and outcomes progress. Acelero Learning create and run these reports based on the program's data, and work with ACS staff to ensure effective follow-up and support. And on top of that, each program is implementing Acelero Learning's new Head Start-specific online data monitoring system, Shine, which allows every program to track family outcomes for the first time, in addition to a host of other leadership, governance, and monitoring reports. These tools have allowed ACS staff to work as partners with the delegate agencies, understand their challenges and help support continuous improvement in real-time.

Family-Community Engagement

At the core of Acelero Learning's approach to family services is a focus on helping every family set a goal and make demonstrable progress in key "family life practices" that research tells us help children enter school prepared to succeed. Family workers in our participating programs use a detailed family strengths assessment and then set a specific goal in one of four family life practice areas. Progress is then tracked in the Shine system against developed milestones which track family progress and help them achieve their goals. When the system is fully-implemented, Acelero Learning has seen in excess of 60% of families achieve or make major progress in these important family life practice areas – all of which are aligned with the Office of Head Start's Parent Family Community Engagement Framework.

And only months after the working with these tools, families showed excitement about their progress on these Family Life Practice goals. One family reported—based on their goal set for expressive language at home—they have begun talking to their child while making dinner, something she had never really done before during this time. Another parent reported getting a library card for his child and for himself—and had begun to include regular night time reading as a part of the family's daily routine. These differences in family life practices provide an enormous boost to the work going on in classrooms.

Early Childhood Education

In the classrooms, the crux of Acelero Learning's approach is an intentional curriculum, extensive teacher coaching, and a streamlined assessment approach. Teacher coaching based on a crystal-clear Teacher Success Rubric are providing our programs a culture of transparency and guidelines for how to achieve mastery in the classroom (one delegate even pioneered a video-taped teacher coaching program). And our curriculum-tuning tools are streamlining the class planning process while still allowing for the flexibility necessary to ensure individualization for all children.

We are excited to demonstrate the great outcomes we expect this partnership will produce for the children and families served in our participating Early Learn delegates. We are also excited to identify aspects of these promising approaches that can be broadened for use by a growing circle of our programs that are excited to take their practice to the next level in terms of working to truly close the achievement gap for children and families we serve!

If you're interested in learning more or would like to receive some of the resources mentioned, please contact jesse@acelero.net

Nature Investigations at the New York Botanical Garden

In NYBG's Everett Children's Adventure Garden

With seasonally changing landscapes, a dynamic wetland and pond, and exhibition-related plantings, the Everett Children's Adventure Garden provides a living and vibrant stage for hands-on learning about the plants in our world. The Children's Adventure Garden includes both outdoor and indoor learning galleries.

Pea Pod Explorers programs for Pre-K student school groups in the Everett Children's Adventure Garden is specially designed for the pre-school audience, offering an in-depth exploration into the wonders of nature through hands-on explorations, songs, and stories. Multiple sessions build on the theme and are recommended.

Times: 10–11:15 a.m. or 11:45 a.m.–1 p.m.

Fall: *September 17 — November 15*

Children explore seasonal changes as they examine colorful leaves and leaf-litter critters, discover animals preparing for winter, and investigate seeds and fruits.

Winter : *(Tuesdays and Thursdays only): February 4 – March 21*

The garden may be quiet and still, but there is still a lot of nature to explore. Children investigate the different ways that living things cope with the wintry chill.

Spring: *March 25 – June 20*

In spring all delight as plants and animals awaken from their winter rest. Children investigate flowers and observe butterflies emerging and learn about their role in the garden.

Summer: *July 8 – August 22*

Explore the properties of water and discover the plants and creatures that live in aquatic habitats through pond dipping's and exploration of a touch tank.

Cost:

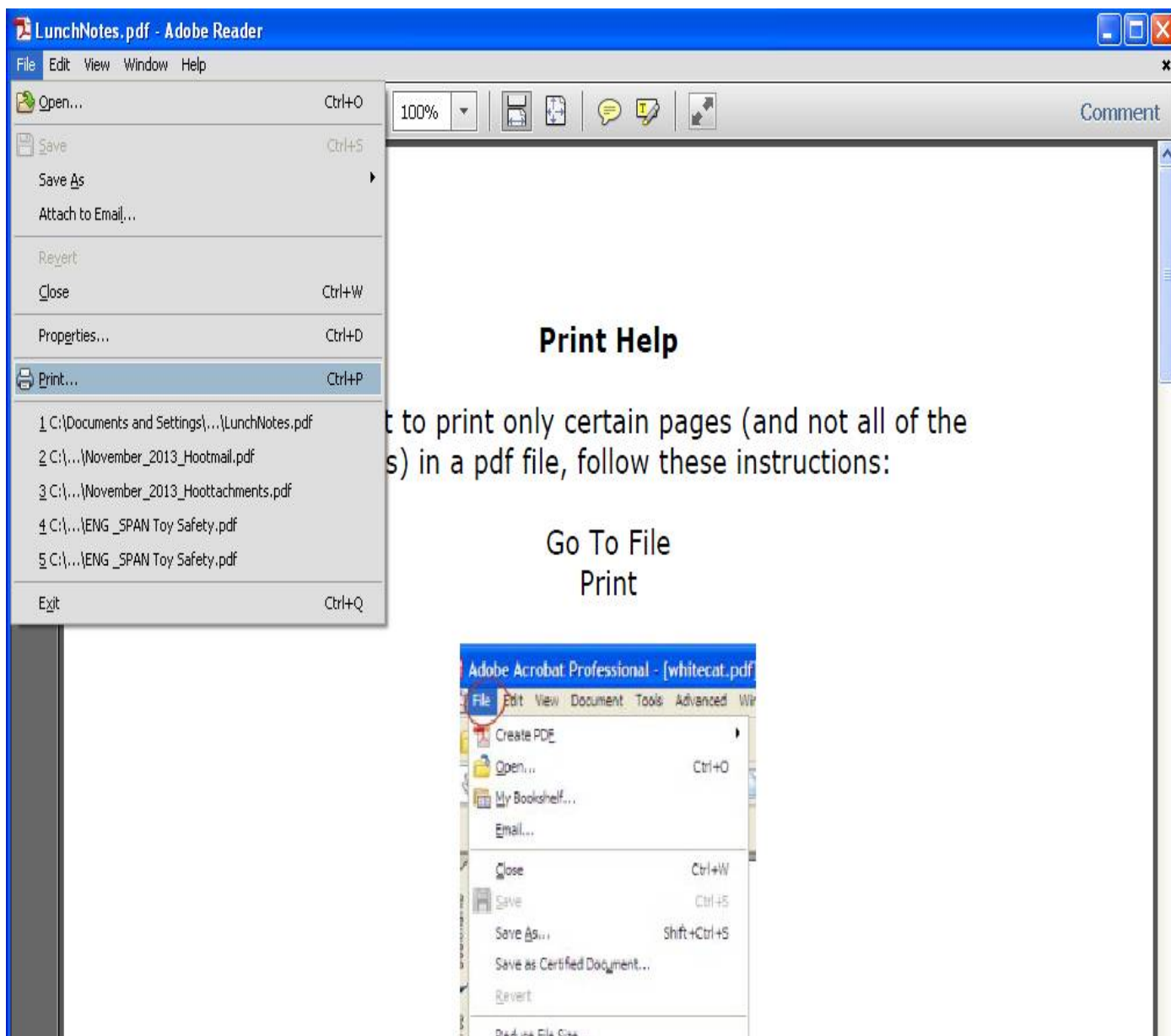
- Three Sessions: \$195
- Two Sessions: \$160
- One Session: \$110

To register: Call 718.817.8181 or email: childed@nybg.org

PDF Print Help

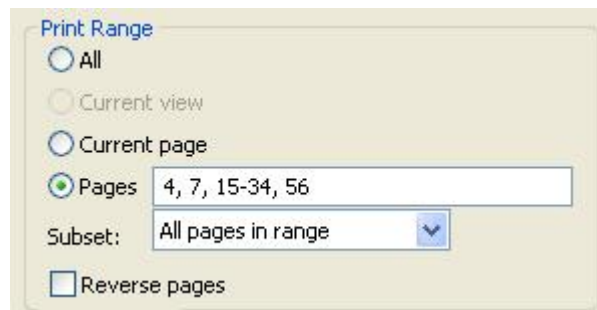
If you want to print only certain pages (and not all of the pages) in a pdf file, follow these instructions:

- Go To File
- Print
- ****Note:** Your dialog box may be different than mine, however, just look for the Print command under file. ******



Tell the printer that you only want to print certain pages:

- In the Print Range pane of the Print dialog box, type the number of the pages you want to print. For a range of pages, use a hyphen. Separate each page or range with a comma or space (such as "4, 7, 15-34, 56").



The screenshot shows the 'Print Range' section of a print dialog. It contains four radio button options: 'All', 'Current view', 'Current page', and 'Pages'. The 'Pages' option is selected. To the right of 'Pages' is a text input field containing the text '4, 7, 15-34, 56'. Below this is a 'Subset:' label followed by a dropdown menu showing 'All pages in range'. At the bottom is a checkbox labeled 'Reverse pages' which is currently unchecked.

- Then click on Print