



Smart Start Accountability Plan

Effective July 1, 2020

BACKGROUND

Established by the North Carolina Legislature in 1993, the Smart Start network creates better outcomes for children and families across North Carolina. Created under legislation, The North Carolina Partnership for Children (NCPC) provides oversight, coordinates the statewide network and ensures the accountability of state funds appropriated to NCPC and local county partnerships. To meet this mandate, NCPC is required to develop and implement a comprehensive standard fiscal accountability plan (Accountability Plan). The legislation also requires NCPC to assure programmatic integrity for the programs and services in the Smart Start system. As a public-private partnership, NCPC also administers funding from other government and private funders. The Accountability Plan incorporates the requirements of these other funding sources as part of a comprehensive approach to accountability that ensures Smart Start holds itself to high standards as stewards of public and private funds to assure that each North Carolina child has opportunities to thrive.

ACCOUNTABILITY PLAN PURPOSE

The Plan is designed to ensure full and complete accountability for all funds and programs administered by NCPC for maximum impact for young children and their families. The Smart Start network exists to improve the outcomes for the children of North Carolina. To ensure improved outcomes, the partnership between NCPC and the local partnerships has mutual accountability as outlined in this Plan. See Appendix I, page 6 for a diagram of the Accountability Life Cycle.



GUIDING PRINCIPLES

In creating the Smart Start Accountability Plan, NCPC strives to meet the following guiding principles adopted by the NCPC Board of Directors:

1. **Improvement and effectiveness** - shall use data to assess the impact and make improvements to benefit young children, their families, and the systems serving them.
2. **Equity** - shall use data to understand differences among subgroups of children and inform targeted activities to address gaps.
3. **Transparency and clarity** - shall inform the public of the status of children in their communities, and clearly define the expected standards.
4. **Inclusion and fairness** - NCPC and local partnerships shall work together to develop the accountability process and NCPC shall use corrective interventions deliberately and consistently.

Appendix I – Accountability Life Cycle

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SMART START REQUIREMENTS

NCPC and local partnerships shall comply with the Accountability Plan. This includes compliance with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the business, including those of federal, state, and local agencies having jurisdiction and/or authority.

PROGRAMMATIC INTEGRITY

Smart Start was founded on the premise that North Carolina communities vary greatly in demographics, resources and assets, and require community-developed solutions. To guide the development of these solutions, the following requirements shall be met:

1. NCPC shall perform a funding needs calculation based on statewide indicators and data sources.¹
2. NCPC shall allocate funding based on the needs calculation to local partnerships and provide ongoing oversight to ensure legislative and regulatory compliance for the purposes for which funding was appropriated, including reversion and carry forward funding.
3. NCPC and local partnerships shall engage in ongoing programmatic data collection to inform program management and quality improvement and to document results for the State Legislature.²
4. NCPC shall report to the General Assembly annually regarding services, previous fiscal year expenditures, number of children served, and outcomes.³
5. Smart Start funding shall only be used for evidence-based or evidence-informed (EB/EI) activities as defined by the NCPC Board of Directors (Board).⁴ Activities that do not meet these requirements will not be allowed.
6. Strategic Planning:
 - a) NCPC shall develop and maintain a long-range strategic plan informed by statewide child outcomes data, and network and state partner input.
 - b) NCPC shall compile county level indicators related to Smart Start activities and establish performance standards for each indicator.
 - c) NCPC shall provide summary information on research-based early childhood programs and strategies to assist in planning for community impact.
 - d) Local partnerships shall engage community stakeholders to develop and maintain a long-range strategic plan for services to children and families in the service delivery area that address community assets and needs.⁵
 - e) Local partnerships shall practice data-driven decision making to address the assessed needs of children in the local community.⁶

FINANCIAL AND CONTRACTUAL INTEGRITY

Each year, NCPC allocates funding to local partnerships and provides ongoing oversight to ensure regulatory compliance for the funding. This includes compliance with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the business, including those of federal, state, and local agencies having jurisdiction and/or authority. To ensure structures are in place to practice good governance and be financially accountable, the following requirements shall be met:

1. Develop and implement board-approved, written policies that address contracting and accounting best practices and adhere to Smart Start accounting and contracting policies and procedures,

¹ NCGS § 143B-168.12.(a)(6)

² NCGS § 143B-168.12.(9)(d) and NCGS § 143B-168.12.(7)

³ NCGS § 143B-168.12.(d)

⁴ NC Session Law 2017-57 Section 11B.8.(a)

⁵ NCGS § 143B-168.14.(a)(1)

⁶ NCGS § 143B-168.15.(a)

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including procedures for contractual provisions to sub-grantees, and both financial and programmatic subcontractor monitoring.

2. Adhere to the Smart Start Cost Principles.
3. Adhere to the North Carolina's Office of State Budget Management (OSBM) regulation and guidance, where applicable.
4. Adhere to the Federal Uniform Code 2CFR requirements, if receiving federal grant funds.
5. Demonstrate that the organization has met the following requirements:
 - a) Outsourcing of payroll processing function.
 - b) Using the uniform chart of accounts established by NCPC.
 - c) Certified that there are no overdue tax debts.⁷
 - d) Comply with legislatively mandated competitive bidding requirements for goods and services.⁸
 - e) Provide and maintain insurance per contract Terms and Conditions including fidelity bonding.
 - f) Have established, board-approved bylaws.
 - g) NCPC and local partnerships shall provide and maintain an accurate profile of organization information and notify their Smart Start funder, DCDEE or NCPC respectively, of changes.
 - h) NCPC and local partnerships shall maintain access controls and security, passwords, access rights, and data and document retention, per contract Terms and Conditions. NCPC and local partnerships shall notify their Smart Start funder, DCDEE or NCPC respectively, of changes that impact access and security to required data systems.
6. Develop and implement a board-approved, written policy that addresses monitoring of compliance with the following legislative mandates:
 - a) Not less than seventy percent (70%) of the funds spent in each year of the direct services allocation shall be used for child care-related activities and early childhood education programs.⁹ State funds allocated to local partnerships will not supplant other governmental expenditures on behalf of young children and families.¹⁰ Activities that utilize Smart Start funds to supplant other funding, will not be allowed.
 - b) Not less than thirty percent (30%) of the funds spent in each year of the direct services allocation shall be used for child care subsidies.¹¹ If the subsidy requirement is not met, the local partnership will receive a reduction in the following fiscal year's allocation by the amount of the subsidy shortfall or \$10,000, whichever is greater. **Reference to NCPC Subsidy Policy.**
 - c) Meet annual program match requirements.¹² If the match requirement is not met, the local partnership will be required to submit a plan to NCPC; participate in technical assistance; and/or be ineligible for additional allocation of state funds requiring match – depending upon the gap percentage. **Reference to NCPC Match Policy.**
 - d) Meet the Temporary Assistance for Needy Families and the Child Care Development Fund and Block Grant (TANF/CCDF) child care subsidy match requirement.¹³
7. Local partnerships shall participate in NCPC's statewide financial and contracts management system and collaborate, to the extent possible, with other local partnerships to increase efficiency and effectiveness.¹⁴

⁷ NCGS § 105-243.1

⁸ NC Session Law 2017-57 Section 11B.8.(e)

⁹ NCGS § 143B-168.15(b)

¹⁰ NCGS § 143B-168.15(e)

¹¹ NCGS § 143B-168.15(g)

¹² NC Session Law 2017-57 Section 11B.8.(d)

¹³ NCGS § 143B-168.15(g)

¹⁴ NC Session Law 2017-57 Section 11B.8.(b)

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8. NCPC shall meet reporting requirements to be included in the State of North Carolina's Comprehensive Annual Financial Report (CAFR).
9. Audits:
 - a) NCPC shall be subject to an annual state audit.¹⁵ Failure to comply with a financial and compliance audit will result in a suspension of funding.
 - b) Local partnerships shall be subject to an annual or bi-annual financial and compliance audit contracted by NCPC.¹⁶ Failure to comply with a financial and compliance audit will result in a suspension of funding. **Reference NCPC Audit Penalty.**
10. Monitoring:
 - a) NCPC shall be subject to an annual Division of Child Development and Early Education (DCDEE) monitoring. Based upon the monitoring findings, DCDEE may assign consequences such as requiring technical assistance, repayment of funds, or development of a Performance Improvement Plan.
 - b) NCPC shall develop and implement a board-approved, written policy that addresses monitoring of compliance with network-wide legislative mandates.
 - c) Local partnerships shall be subject to a NCPC annual or bi-annual financial and programmatic monitoring. Based upon the monitoring findings, NCPC may assign consequences such as requiring technical assistance, repayment of funds, or development of a Performance Improvement Plan.
11. Reporting requirements:
 - a) NCPC shall adhere to reporting deadlines established by NC DHHS and DCDEE.
 - b) Local partnerships shall adhere to deadlines established by NCPC to ensure the timely disbursement of funds. **Reference to LP Timeline of Reporting.**
12. The salary schedule developed and implemented by NCPC shall set the maximum amount of state funds that may be used for the salary of the executive directors of NCPC and local partnerships.¹⁷ **Reference to LP Executive Director's Salary Schedule.**

ORGANIZATIONAL AND COMMUNITY LEADERSHIP INTEGRITY

Smart Start shall adopt policies and procedures for operation including, but not limited to the following:

1. Board Composition:
 - a) NCPC's board membership shall comply with legislative requirements.
 - b) Local partnerships shall select board members in accordance with the most current board composition requirements developed by the NCPC Board of Directors. **Reference to LP Board Composition.**
2. Achieve quorum at all board meetings when board action is needed and ensure board members avoid conflicts of interest and the appearance of impropriety.¹⁸
3. Adhere to the North Carolina Open Meetings Law and Public Records Law. ¹⁹
4. Ensure that no Smart Start monies will be used to carry on propaganda or otherwise to attempt to influence legislation, to influence the outcome of any public election, or to carry on directly or indirectly any voter registration drive. **Reference federal regulation.**
5. Local partnerships shall adhere to qualification guidelines developed by NCPC when hiring an executive director with verification and documentation approved by NCPC, prior to hiring. Local

¹⁵ NCGS § 143B-168.12.(a)(9)(b)

¹⁶ NCGS § 143B-168.14(b) and § 143B-168.12(a)(9)(b)

¹⁷ NC Session Law 2017-57 Section 11B.8.(c)

¹⁸ NCGS § 143B-168.12.(1)

¹⁹ NCGS § 143B-168.14.(a)(2)

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partnerships shall also adhere to qualification guidelines developed by NCPC for a MAC Accountant. ***Reference to Executive Director and MAC Accountant Qualifications.***

6. If it is necessary to hire a new local partnership executive director or NCPC president, the board must have a plan in place for hiring within six months in accordance with the minimum education and experience requirements.
7. NCPC will provide Smart Start on-boarding resources and continuing professional development through e-Learning, in person training, or targeted technical assistance to key staff at local partnerships. Appendix II Accountability Plan Framework diagram on page 7.
8. The NCPC Board of Directors shall evaluate the performance of their respective executive director or NCPC president annually.
9. NCPC will confer with the Local Partnership Advisory Committee (LPAC) when developing or revising policies that impact local partnerships.
10. The NCPC Board's Accountability and Finance and Audit Committees will review and recommend to NCPC Board annual approval of the Accountability Plan.

Appendix I – Accountability Life Cycle



Appendix II – NCPC Levels of Support and Technical Assistance

The diagram above is intended to illustrate the nature of different forms and intensity of NCPC's training, technical assistance and monitoring to support stewardship of public and private Smart Start funds for community and statewide impact.

Some activities are provided for the entire network, some for a more targeted group of local partnerships, and the most intensive assistance for a small number of Smart Start organizations.



Smart Start Accountability Plan Framework