



1700 S. El Camino Real, Suite 405
San Mateo, CA 94402-3050
www.first5sanmateo.org

**FIRST 5 SAN MATEO COUNTY
FINANCE AND ADMINISTRATION COMMITTEE MEETING**

DATE: Monday, April 8, 2019
TIME: 9:00 AM to 10:00 AM
ADDRESS: 1700 S. El Camino Real, Suite 405
San Mateo, CA 94402

MEMBERS: Pam Frisella, Rosanne Foust, Alexis Becerra

COMMUNITY MEMBER: Michael Garb

STAFF: Kitty Lopez, Khanh Chau

AGENDA

1.	Approval of the Finance and Administration Committee Agenda	Frisella
2.	Approval of the September 10, 2018 Finance and Administration Committee Meeting Minutes (See Attachment 2)	Frisella
3.	Select Committee Chair	Frisella
4.	Budget Monitoring Report as of March 31, 2019 (See Attachments 4, 4A, 4B), and Discussion of Frequency	Lopez / Chau
5.	Review and Recommend Approval of F5SMC FY18-19 Policies and Bylaws (See Attachments 5, 5A - 5H)	Lopez / Chau
6.	Verbal Update: Audit Report and Auditor Selection	Lopez / Chau

Next Meeting: May 13, 2019

**FIRST 5 SAN MATEO COUNTY
FINANCE AND ADMINISTRATION COMMITTEE
MEETING MINUTES**

September 10, 2018

- Commission Member: Michael Garb, Rosanne Foust , Pam Frisella
- Staff: Kitty Lopez, Khanh Chau
- Minutes: Khanh Chau

1. Approval of the Finance and Administration Committee Meeting Agenda

A Motion for Approval of the September 10, 2018 Finance and Administration Committee Meeting Agenda was made by Commissioner Foust, seconded by Commissioner Frisella. Unanimously approved.

2. Approval of the August 13, 2018 Finance and Administration Committee Meeting Minutes

A Motion for Approval of the August 13, 2018 Finance and Administration Committee Meeting Minutes was made by Commissioner Foust, seconded by Commissioner Frisella. Unanimously approved.

3. Review and Recommend Approval of the F5SMC's FY2017-2018 Budget Close-Out as of June 30, 2018

Kitty Lopez stated that we need an official approval of the F5SMC's FY2017-2018 Budget Close-Out as of June 30, 2018 for the audit report issuance. Kitty Lopez briefly stated that we have received higher Interest and Tobacco Tax Revenues and additional revenues from various private grants; there is under spending in both Program Appropriations and Administrative Appropriations including under spending of various grants at the end of the grant terms, under spending in the Policy, Advocacy, Communications, and System Changes (PAC) – Unallocated Fund, and in various Administrative budget lines; we have higher Ending Fund Balance than initial projection at the end of FY2017-2018 Budget Close-Out.

Committee members reviewed FY2017-2018 Budget Close-Out documents; asked questions about under spending grants and composition of the Other Services Charges. Staff Khanh Chau responded that while most grants are fully expended at the end of the grant terms, StarVista, Ravenswood, and Community Gatepath have underspending in bi-lingual staffing recruitment (StarVista) and dentist recruitment (Ravenswood).

Committee members stated the presented FY2017-2018 Budget Close Out as of June 30, 2018 is clean, clear, and straight forward document. Committee members endorsed its approval recommendation.

A Motion for Approval of the F5SMC's FY2017-2018 Budget Close-Out as of June 30, 2018 was made by Commissioner Garb, seconded by Commissioner Frisella. Unanimously approved.

Commissioner Garb adjourned the meeting at 9:35AM.

DATE: April 8, 2019
TO: First 5 San Mateo County Finance and Administration Committee
FROM: Kitty Lopez, Executive Director
RE: Budget Monitoring Report as of March 31, 2019

BUDGET MONITORING REPORT as of March 31, 2019 HIGHLIGHTS

County's Budget Terminologies

Since March 2018, as County Manager's Office and County Controller's Office requests and F5SMC Commission approval, F5SMC added budget terminologies used by the County to F5SMC Budget for a comparable reading with County internal budget system.

**Total Sources, Net Appropriations, Reserves, Total Requirements are budget terminologies used by the County of San Mateo.*

Budget Monitoring Report as of March 31, 2019 Highlights

The Budget Monitoring Report as of March 31, 2019 is presented in detail as **Attachment 4A** and in summary as **Attachment 4B**. Key Budget Monitoring Report highlights are as following:

YTD Benchmark: 75%

REVENUES

- YTD Interest Revenue projection is \$188K or 81%, that represents a positive variance or 6% higher than YTD Benchmark due to higher interest earning rate in the County investment pool.
- YTD Tobacco Tax Revenue projections are \$4.753 million or 89%, that represents 14% positive variance higher than YTD Benchmark.
- YTD F5CA IMPACT Grant Revenue estimate is \$290K or 50% which is below YTD Benchmark by 25% due to slow grant execution of one executing partner in the Communication activities.
- YTD David Lucile Packard Foundation - Help Me Grow Grant Revenue estimate is \$214K or 75% in line with YTD Benchmark.
- YTD San Bruno Community Foundation - Build Up Kids Grant Revenue estimate is \$11K or 75% in line with YTD Benchmark.
- YTD Peninsula Healthcare District – Help Me Grow Call Center Grant Revenue estimate is \$18.7K or 75% in line with YTD Benchmark.
- YTD San Mateo County Health System – Watch Me Grow Clinic Based Services Revenue estimate is \$136K or 75% in line with YTD Benchmark.
- YTD Total Revenues projections are \$5.649 million or 82%, that represents a positive variance or 7% higher than YTD Benchmark. Major attributable factors to this positive variance are associated with higher Interest Revenue and the inclusion of Prop 56 Revenue disbursement.

APPROPRIATIONS

- YTD Program Expenditures projections are \$4.971 million or 60%, that represents a positive variance or 15% below YTD Benchmark. Major contributions to this positive variance are attributable to pending planning and contracting of various Strategic Plan Implementation Plan SPIP 18-20 budget

lines (Evaluation, Emerging Project), underspending in F5CA IMPACT Grant and Help Me Grow grant, combined with pending billings of various grants.

- YTD Administrative Expenditures projections of \$738K or 67% that represents a positive variance or 8% below YTD Benchmark. Major contributions to this positive variance are attributable to underspending in various administrative areas.
- **YTD Total Appropriations (Net Appropriations*)** projections are \$5.706 million or 60%, that represents a positive variance or 15% below YTD Benchmark. Major contributions to this positive variance are attributable to pending planning and contracting of SPIP18-20 as the new funding cycle begins, pending billing from various grants, and under spending in various Administrative areas.

ENDING FUND BALANCE (RESERVES*)

- At this time, we are projecting Ending Fund balance (Reserves*) of \$12.340 million or 127%, that represents a positive variance of 27% or \$2.659 million higher than the planned budget.

Major contributions to this positive variance are attributable to the Beginning Fund Balance Adjustment as the result of the FY17-18 audit report, higher Interest Revenue, inclusion of the Prop 56 disbursement, and under spending in both Program and Administrative Appropriations as the new funding cycle begins.

CHALLENGES:

- None at this time.

YTD Benchmark: 75%

	ORG/ACCT#	FY18-19 Revised Budget	YTD March 31, 2019	Accruals*	YTD Combined	% YTD Combined	Note
REVENUE							
FUND BALANCE BEGINNING (BEGINNING RESERVES*)		12,265,268	12,265,268		12,265,268		Beginning Fund Balance is adjusted as the FY17-18 Audit report.
Interest	19510-1521	231,958	130,219	57,990	188,209	81%	\$57K is Q3'19 Interest Revenue estimate.
Tobacco Tax Revenue (Prop 10 and Prop 56)	19510-1861	5,344,804	3,416,869	1,336,201	4,753,070	89%	\$1.336 Mio are Q3'19 Tobacco Tax Revenue estimates
F5CA IMPACT Grant	19510-1861	524,000		290,641	290,641	55%	\$159K are Q1'19 & Q2'19 revenue accrual and \$131K is Q3' 19 revenue estimate
F5SF IMPACT HUB TA FY18-19	19510-2643	70,903		53,177	53,177	75%	\$53K are Q1, Q2, and Q3'19 revenue estimates.
David Lucile Packard Foundation - Help Me Grow Grant	19510-2643	285,000		213,750	213,750	75%	Received full grant award amount. \$214K are Q1'19 & Q2'19 & Q3'19 revenue estimates.
San Bruno Community Foundation - Build-Up Kids Grant	19510-2643	14,709		11,032	11,032	75%	Received full grant award amount. \$11K are Q1'19 & Q2'19 & Q3'19 revenue estimates.
Peninsula Healthcare District - Help Me Grow Call Center Grant	19510-2643	25,000		18,750	18,750	75%	Received full grant award amount. \$18.7K are Q1'19 & Q2'19 & Q3'19 revenue estimates.
San Mateo County Health System - WMG Clinic Based Services Grant	19510-2643	181,383		136,037	136,037	75%	\$136K are Q1'19 & Q2'19 & Q3'19 revenue estimates.
GILEAD - Build Up Kids Facilities Grant	19510-2643	50,000		50,000	50,000	100%	Received full grant award amount.
San Mateo County Human Services Agency - Build Up Kids Facilities Grant	19510-2643	130,000		65,000	65,000	50%	\$65K is FY18-19 revenue accrual
F5SMC Wellness Grant	19510-2658	777	777		777	100%	
Miscellaneous Reimbursements	19510-2647						
TOTAL REVENUES		6,858,534	3,547,865	2,232,578	5,780,443	84%	Positive variances due to higher interest revenue and Prop 56 revenue disbursement
TOTAL AVAILABLE FUNDS (TOTAL SOURCES*)		19,123,802	15,813,133	2,232,578	18,045,711	94%	
APPROPRIATIONS							
1. PROGRAMS							
Family Engagement	19540-6125	1,775,541	819,376	443,885	1,263,261	71%	\$444K are Q3'19 expenditure estimates
Child Health & Development	19540-6156	1,563,670	456,891	460,191	917,082	59%	\$69K is expenditure accrual and \$391K are Q3'19 expenditure estimates
SPIP 15-18 Carry Over	19540-6156	100,000			0	0%	
Early Learning	19540-6263	1,628,259	670,062	407,065	1,077,127	66%	\$407K are Q3'19 expenditure estimates
Policy Advocacy, Communications & Systems Change	19540-6814	559,905	213,650	139,976	353,626	63%	\$140K are Q3'19 expenditure estimates
SPIP 15-18 Carry Over	19540-6814	40,000			0	0%	Pending SPIP15-18 carry-over contracting
Other Communications - Sponsorship	19540-6814	10,000	6,500	0	6,500	65%	
Emerging Projects	19540-6814	200,000			0	0%	Pending planning and SPIP18-20 contracting
Kit for New Parent KNP (KNP)	19540-6814	62,000	58,304		58,304	94%	FY17-18 KNP kit components are received and paid in FY18-19

	ORG/ACCT#	FY18-19 Revised Budget	YTD March 31, 2019	Accruals*	YTD Combined	% YTD Combined	Note
Regional Cost Sharing	19540-6814	45,000	0	0	0	0%	No activities at this time.
Program Salary & Benefits		591,149	384,612		384,612	65%	
Grant Management and Big Data	19540-6265	100,000	48,448	25,000	73,448	73%	\$25K is Q3'19 expenditure estimates. Under spending due to delayed roll out of the Big Data evaluation project.
Other Evaluation Projects	19540-6265	145,000			0	0%	Pending planning and SPIP18-20 contracting
Evaluation - Salaries & Benefits		161,632	114,756		114,756	71%	
David Lucile Packard Foundation grant - Help Me Grow Grant	19540-6131	255,000	58,310	63,750	122,060	48%	\$64K is Q3'19 expenditure estimates; pending billing from contractors (County Health System and David Lucile Packard Hospital) for the WMG Clinic Based program
San Bruno Community Foundation grant - Build-Up Kids	19540-6131	14,709	7,427	3,677	11,104	75%	\$3.6K is Q3'19 expenditure estimates.
Peninsula Healthcare District - Help Me Grow Call Center Grant	19540-6131	25,000			0	0%	
San Mateo County Health System - WMG Clinic Based Services Grant	19540-6131	181,383	51,378	70,805	122,183	67%	\$25K are Q1 & Q2 expenditure accruals and \$45K is Q3'19 expenditure estimates.
Help Me Grow Centralized Access Point and Family & Community Outreach Providers	19540-6131	181,625	15,571	45,406	60,977	34%	Delayed contract execution
GILEAD - Build Up Kids Facilities Grant	19540-6131	50,000		50,000	50,000	100%	Pending contracting
San Mateo County Human Services Agency - Build Up Kids Facilities Grant	19540-6131	130,000		65,000	65,000	50%	Pending contracting
F5SF IMPACT HUB TA FY18-19	19540-6126	65,231		48,923	48,923	75%	\$48.9K is Q1, Q2, and Q3'19 expenditure estimates.
F5CA IMPACT Grant	19540-6126	461,266	126,632	115,317	241,949	52%	\$115K are Q3'19 expenditure estimates. One executing partner anticipates to fully spend its fiscal year budget in Communication activities.
TOTAL PROGRAM APPROPRIATIONS		8,346,370	3,031,917	1,938,995	4,970,912	60%	Positive variances due to pending planning and contracting of various SPIP budget lines and pending billing from various contractors
2. ADMINISTRATIVE							
Salaries and Benefits		672,719	460,732		460,732	68%	
Services and Supplies							
Outside Printing & Copy Svc	19510-5191	2,000			-	0%	No outside printing at this time
General Office Supplies	19510-5193	12,500	7,055		7,055	56%	
Photocopy Lease & Usage	19510-5196	2,000	609	333	943	47%	\$333 are Feb and Mar'19 expenditure estimates
Computer Supplies	19510-5211	13,000	5,056	1,111	6,167	47%	\$1.1K is expenditure accrual for the purchase of software licence and computer monitors
County Memberships - (e.g. F5 Assn Dues)	19510-5331	15,000	13,545		13,545	90%	
Auto Allowance	19510-5712	11,000	7,923		7,923	72%	
Meetings & Conference Expense	19510-5721	12,000	7,018	3,000	10,018	83%	\$3K is expenditure estimates for various program conference registration
Commissioners Meetings & Conference Exp	19510-5723	8,000	4,943		4,943	62%	
Other Business Travel Expense	19510-5724	5,000	1,664	3,000	4,664	93%	\$3K is expenditure estimates for staff travel expenses to attend various program conferences
Dept. Employee Training Expense	19510-5731	8,000	3,586		3,586	45%	No planning of agencywide staff training and professional development at this time.
Wellness grant	19510-5856	777	543		543	70%	Wellness grant
Other Professional Services	19510-5858	60,000	35,510		35,510	59%	Various consultant contracts ended. Place holder for new consultant contract is pending.
Sub Total - Services & Supply		149,277	87,453	7,444	94,897	64%	

	ORG/ACCT#	FY18-19 Revised Budget	YTD March 31, 2019	Accruals*	YTD Combined	% YTD Combined	Note
Other Charges							
Telephone Service Charges	19510-6712	4,000	2,300	333	2,633	66%	\$333 is March '19 expenditure estimate
Automation Services - ISD	19510-6713	48,000	26,486	4,000	30,486	64%	\$4K is March '19 expenditure estimate
Annual Facilities Lease	19510-6716	92,000	65,114	-	65,114	71%	
General Liability Insurance	19510-6725	7,500	4,910	-	4,910	65%	
Official Bond Insurance	19510-6727	600	171	-	171	29%	
Human Resources Services	19510-6733	2,000	269	-	269	13%	No planning of agencywide staff training and professional development held by Human Resources Department at this time.
Countywide Security Services	19510-6738	500	450	-	450	90%	
All Other Service Charges	19510-6739	53,000	23,544	2,000	25,544	48%	\$2K is March '19 expenditure estimate for County Counsel services
A-87 Expense	19510-6821	67,700	49,905	-	49,905	74%	
Sub Total - Other Charges		275,300	173,150	6,333	179,483	65%	
TOTAL ADMINISTRATIVE APPROPRIATIONS		1,097,296	721,335	13,778	735,112	67%	Positive variances due to under spending in various Administrative budget lines.
Administrative Cost %		12%	19%	1%	13%		
TOTAL APPROPRIATIONS (NET APPROPRIATIONS*)		9,443,666	3,753,252	1,952,772	5,706,024	60%	Positive variances due to pending planning and contracting of various SPIP budget lines and pending billing from various contractors
ENDING FUND BALANCE (ENDING RESERVES*)		9,680,136	12,059,882	279,805	12,339,687	127%	Positive variances due to higher interest revenue and Prop 56 disbursement and under spending in both Program and Administrative Appropriations
Program Staff		591,149	384,612	-	384,612	65%	
Evaluation Staff		161,632	114,756	-	114,756	71%	
Admin Staff		672,719	460,732	-	460,732	68%	
Total Salaries and Benefits		1,425,500	960,100	0	960,100	67%	

	ORG/ACCT#	FY18-19 Revised Budget	YTD March 31, 2019	Accruals*	YTD Combined	% YTD Combined	Note
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Note 1:

At the March 26, 2018 Commission Meeting, Commission reviewed and approved the use of Reserves* to fund the approved FY17-18 Revised Budget. At the same time moving forward, F5SMC will add budget terminologies used by the County to F5SMC Budget for a comparable reading with County internal budget system.

*Total Sources, Net Appropriations, Reserves, Total Requirements with asterisk * are budget terminologies used by the County of San Mateo.

Note 2:

This Budget Monitoring Report is presented in a Hybrid Format as per suggestion of Finance and Administration Committee members.

The YTD Actuals column reflects Actual Revenues and Actual Expenditures reported in Countywide OFAS Accounting System.

The YTD Accruals* (with an asterisk) column is a hybrid presentation using Modified Accrual Accounting or Projections. When Revenue and Expenditures are not measurable in monetary terms or are not available, Committee members suggest to make a Projection for the reporting month.

Technical Terms**1. Modified Accrual**

Under Modified Accrual, Revenue is recognized and recorded when measurable and available to finance the expenditures of the current period; Available, under Modified Accrual, means collectible within the current period or soon enough to be used to pay liabilities of the current period; Measurable means quantifiable in monetary terms. Per F5CA, Prop 10 Tax Revenue is recorded when the Prop 10 Tax Revenue is posted on the F5CA website.

Expenditures are recognized and recorded when the related liability incurred with some exceptions.

2. Internal Reporting

The Budget Monitoring Report is an internal report, typically is designed to accomplish two goals:

- (a) allows management to monitor compliance with legal and contractual provisions applicable to the management of public funds; and
- (b) provides management with the information on current performance that it needs to make future financial plans.

Because internal reports are designed to serve the needs of management, management is free to select the format and content it believes is most relevant, with timeliness being a key consideration for their use as monitoring or planning documents.

References

1. Modified Accrual: Becker CPA Review, Financial, 2009 Edition Textbook, page F8-12
2. Internal Reporting: First 5 Association of California - Financial Management Guide - Fifth Edition, 2015, Updated 12/15/15, page 51

**BUDGET MONITORING REPORT SUMMARY
AS OF MARCH 31 2019**

YTD Benchmark: 75%

	FY18-19 Revised Budget	YTD March 31, 2019	Accruals*	YTD Combined	% YTD Combined	Note
REVENUE						
FUND BALANCE BEGINNING (BEGINNING RESERVES*)	12,265,268	12,265,268	-	12,265,268		
Interest	231,958	130,219	57,990	188,209	81%	\$57K is Q3'19 Interest Revenue estimate.
Tobacco Tax Revenue (Prop 10 and Prop 56)	5,344,804	3,416,869	1,336,201	4,753,070	89%	\$1.336 Mio are Q3'19 Tobacco Tax Revenue estimates
F5CA IMPACT Grant	524,000	-	290,641	290,641	55%	\$159K are Q1'19 & Q2'19 revenue accrual and \$131K is Q3' 19 revenue estimate
F5SF IMPACT HUB TA FY18-19	70,903	-	53,177	53,177		\$53K are Q1, Q2, and Q3'19 revenue estimates.
David Lucile Packard Foundation - Help Me Grow Grant	285,000	-	213,750	213,750	75%	Received full grant award amount. \$214K are Q1'19 & Q2'19 & Q3'19 revenue estimates.
San Bruno Community Foundation - Build-Up Kids Grant	14,709	-	11,032	11,032	75%	Received full grant award amount. \$11K are Q1'19 & Q2'19 & Q3'19 revenue estimates.
Peninsula Healthcare District - Help Me Grow Call Center Grant	25,000	-	18,750	18,750	75%	Received full grant award amount. \$18.7K are Q1'19 & Q2'19 & Q3'19 revenue estimates.
San Mateo County Health System - WMG Clinic Based Services Grant	181,383					
GILEAD - Build Up Kids Facilities Grant	50,000					
San Mateo County Human Services Agency - Build Up Kids Facilities Grant	130,000					
F5SMC Wellness Grant	777	777	-	777		-
Miscellaneous Reimbursements	-	-	-	-		-
TOTAL REVENUES	6,858,534	3,547,865	2,232,578	5,780,443	84%	Positive variances due to higher interest revenue and Prop 56 revenue disbursement
TOTAL AVAILABLE FUNDS (TOTAL SOURCES*)	19,123,802	15,813,133	2,232,578	18,045,711	94%	
APPROPRIATIONS						
1. PROGRAMS						
Family Engagement	1,775,541	819,376	443,885	1,263,261	71%	\$444K are Q3'19 expenditure estimates
Child Health & Development	1,563,670	456,891	460,191	917,082	59%	\$69K is expenditure accrual and \$391K are Q3'19 expenditure estimates
SPIP 15-18 Carry Over	100,000	0	0	0	0%	0
Early Learning	1,628,259	670,062	407,065	1,077,127	66%	\$407K are Q3'19 expenditure estimates
Policy Advocacy, Communications & Systems Change	559,905	213,650	139,976	353,626	63%	\$140K are Q3'19 expenditure estimates
SPIP 15-18 Carry Over	40,000	0	0	0	0%	Pending SPIP15-18 carry-over contracting
Other Communications - Sponsorship	10,000	6,500	0	6,500	65%	0
Emerging Projects	200,000	0	0	0	0%	Pending planning and SPIP18-20 contracting
Kit for New Parent KNP (KNP)	62,000	58,304	0	58,304	94%	FY17-18 KNP kit components are received and paid in FY18-19

	FY18-19 Revised Budget	YTD March 31, 2019	Accruals*	YTD Combined	% YTD Combined	Note
Regional Cost Sharing	45,000	0	0	0	0%	No activities at this time.
Program Salary & Benefits	591,149	384,612	0	384,612	65%	0
Grant Management and Big Data	100,000	48,448	25,000	73,448	73%	\$25K is Q3'19 expenditure estimates. Under spending due to delayed roll out of the Big Data evaluation project.
Other Evaluation Projects	145,000	0	0	0	0%	Pending planning and SPIP18-20 contracting
Evaluation - Salaries & Benefits	161,632	114,756	0	114,756	71%	0
David Lucile Packard Foundation grant - Help Me Grow Grant	255,000	58,310	63,750	122,060	48%	contractors (County Health System and David Lucile Packard Hospital) for the WMG Clinic Based program
San Bruno Community Foundation grant - Build-Up Kids	14,709	7,427	3,677	11,104	75%	\$3.6K is Q3'19 expenditure estimates.
Peninsula Healthcare District - Help Me Grow Call Center Grant	25,000	0	0	0	0%	0
San Mateo County Health System - WMG Clinic Based Services Grant	181,383	51,378	70,805	122,183	67%	\$25K are Q1 & Q2 expenditure accruals and \$45K is Q3'19 expenditure estimates.
Help Me Grow Centralized Access Point and Family & Community Outreach Providers	181,625	15,571	45,406	60,977	34%	Delayed contract execution
GILEAD - Build Up Kids Facilities Grant	50,000	0	50,000	50,000	100%	Pending contracting
San Mateo County Human Services Agency - Build Up Kids Facilities Grant	130,000	0	65,000	65,000	50%	Pending contracting
F5SF IMPACT HUB TA FY18-19	65,231	0	48,923	48,923	75%	\$48.9K is Q1, Q2, and Q3'19 expenditure estimates.
F5CA IMPACT Grant	461,266	126,632	115,317	241,949	52%	\$115K are Q3'19 expenditure estimates. One executing partner anticipates to fully spend its fiscal year budget in Communication activities.
TOTAL PROGRAM APPROPRIATIONS	8,346,370	3,031,917	1,938,995	4,970,912	60%	Positive variances due to pending planning and contracting of various SPIP budget lines and pending billing from various contractors
2. ADMINISTRATIVE						
Salaries and Benefits	672,719	460,732	0	460,732	68%	0
Sub Total - Services & Supply	149,277	87,453	7,444	94,897	64%	0
Sub Total - Other Charges	275,300	173,150	6,333	179,483	65%	-
TOTAL ADMINISTRATIVE APPROPRIATIONS	1,097,296	721,335	13,778	735,112	67%	Positive variances due to under spending in various Administrative budget lines.
Administrative Cost %	12%	19%	1%	13%		
TOTAL APPROPRIATIONS (NET APPROPRIATIONS*)	9,443,666	3,753,252	1,952,772	5,706,024	60%	Positive variances due to pending planning and contracting of various SPIP budget lines and pending billing from various contractors
ENDING FUND BALANCE (ENDING RESERVES*)	9,680,136	12,059,882	279,805	12,339,687	127%	56 disbursement and under spending in both Program and Administrative Appropriations
Total Salaries and Benefits	1,425,500	960,100	0	960,100	67%	0

DATE: April 8, 2019
TO: First 5 San Mateo County Finance and Administration Committee
FROM: Kitty Lopez, Executive Director
RE: Recommend Approval of the First 5 San Mateo County Policies and Bylaws for FY2019-2020

ACTION REQUESTED

Recommend Approval of the First 5 San Mateo County Policies and Bylaws for FY2019-2020

BACKGROUND

Mandate Policies: The First 5 San Mateo County (F5SMC) Commission annually reviews and approves the Commission’s policies to ensure compliance with mandates by the Legislature and other administrative processes and to strengthen F5SMC’s internal controls for operations. Currently there are seven policies; four of which are in direct response to the mandates outlined in the 2006 Assembly Bill 109 (Chan) and Senate Bill 35 (Florez). These mandates include: Contracting and Procurement; Conflict of Interest; Salary and Benefits; and Administrative Costs. These Policies were reviewed and approved by the Commission on April 23, 2018.

Bylaws: On April 23, 2018, the Commission reviewed and approved First 5 San Mateo County’s Bylaws. There are no recommended changes.

UNCHANGED POLICIES

The following policies remain unchanged:

- Contracting and Procurement Policy (Attachment 5A)
- Conflict of Interest Policy (Attachment 5B)
- Salary and Benefits Policy (Attachment 5C)
- Supplantation Policy (Attachment 5D)
- Delegation of Authority to Executive Director to Take Action to Support or Oppose Legislation or Other Initiatives (Attachment 5E)
- Event Sponsorship Policy (Attachment 5F)

CHANGED POLICIES

The following policies are amended:

1. Amended Administrative Costs Policy (**Attachment 5H**)

F5SMC has allocated 100% Salaries and Benefits of Program and Evaluation staff to the Program Appropriations in its annual budget since FY2016-2017.

Staff recommend the Amended Administrative Cost Policy for FY2019-2020 as per **Attachment 5H:**

- (1) to allow further allocation of the shared operating cost to the Program Appropriation sections that is allowable and guided through *The Financial Management Guide of First 5 Association of California (the Fifth Edition, 2015)*.
- (2) to reflect the true operating costs that benefit Program activities.
- (3) for consistent practices of shared operating cost allocation that exist across other First 5 Commissions.

2. Amended Bylaws (**Attachment 5G**)

Current:

Minutes:

Commission staff shall prepare the minutes of each meeting of the Commission and shall post them on the Commission website after approval by the Commission.

Amended:

Minutes:

Commission staff shall prepare the minutes of each meeting of the Commission. ~~and shall post them on the Commission website after approval by the Commission.~~

The minutes are included in the Commission meeting packet and are posted on the website at least 72 hours before each meeting. After consulting with Deputy County Counsel, Monali Sheth, we can eliminate this part of the statement above.

FISCAL IMPACT

No fiscal impact to the F5SMC's annual budget.

RECOMMENDATION

Recommend Approval of the First 5 San Mateo County Policies and Bylaws for FY2019-2020



SUBJECT: CONTRACTING AND PROCUREMENT POLICY

PURPOSE: To facilitate compliance with Health and Safety Code Section 130140(d)(4)(B) requiring the county commission to adopt, in a public hearing, a contract and procurement policy that is consistent with certain state law provisions. And, to comply with Health and Safety Code §130151(b)(1), which requires that the contract and procurement policy contains provisions to ensure that grants and contracts are consistent with the Commission’s strategic plan.

To facilitate compliance with the Standards and Procedures for Audits of California Counties participating in the California Children and Families Program issued by the California State Controller, March 2006.

Part I. STATEMENT OF POLICIES

The First 5 San Mateo County Commission (“First 5 San Mateo County” or the “Commission”) and staff will comply with State law in all matters regarding Commission contracting and procurement to the extent applicable to the Commission, including ensuring that contracting and procurement are consistent with Article 7 (commencing with Section 54201) of Chapter 5 of Part 1 of Division 2 of Title 5 of the Government Code, Chapter 2 (commencing with Section 2000) of Part 1 of Division 2 of the Public Contract Code, Section 3410 of the Public Contract Code, and Chapter 3.5 (commencing with Section 22150) of Part 3 of Division 2 of the Public Contract Code.

When purchasing food, First 5 San Mateo County will give preference to United States-grown produce and United States processed foods when there is a choice and it is economically feasible to do so.

If fitness and quality are equal, First 5 San Mateo County will purchase recycled products, as defined in Section 12200, instead of non-recycled products whenever recycled products are available at the same or a lesser total cost than non-recycled items.

In accordance with Section 130140 and Section 130105 of the California Children and Families First Act, First 5 San Mateo County has autonomy to expend moneys from the trust fund only for the purposes as described in the Commission’s approved Strategic Plan.

Part II. CONTRACTING & GRANT PROCESSES

A. First 5 San Mateo County shall use a competitive selection, negotiation and approval process whereby potential contractors and/or grantees may submit applications for Commission funding. This process is to ensure

that all qualified contractors and/or grantees are given an opportunity to be considered for providing services to the Commission.

No person shall be excluded from participation in, denied benefits of, or be subject to discrimination under this process on the basis of their race, color, religion, national origin, age, sex, sexual orientation, pregnancy, childbirth or related conditions, medical condition, mental or physical disability or veteran's status. The Competitive Proposal process may only be waived by the Commission upon a finding that it would be in the best interests of the Commission.

- B. The criteria for choosing the contractor and/or grantee may include particular criteria are important and appropriate to the project/grant, and may include:
- Experience of the agency and specific staff assigned to complete the work, including description of experience with similar projects
 - Proposed methodology, work plan and timeline to complete the scope of work
 - Proposed cost to complete the work
 - Payment terms (when payment is due to the contractor and/or grantee throughout the timeframe of the contract)
 - Start date and completion date of the work/service.

Once the Commission has selected the contractor(s) and/or grantee(s) that can best perform the necessary work, Commission staff will negotiate the terms of the contract in accordance with the Commission's approval for such services.

- C. The Commission shall approve and execute all service agreements, memorandums of understanding, and/or contracts that exceed \$25,000. Any related contract amendment shall also be approved and executed by the Commission.
- D. The Executive Director of First 5 San Mateo County is authorized to approve and execute service agreements, memorandums of understanding and/or contracts that are \$25,000 and below. After receiving direction to proceed from the Commission Chair, the Executive Director has signature authority to approve all service agreements, memorandums of understanding, and/or contracts above \$25,000 and up to \$50,000 on behalf of the Commission.
- E. Any service agreements, memorandums of understanding, and/or contracts that do not use the standard San Mateo County template agreement will be reviewed by County Counsel. Approval must be obtained by County Counsel prior to finalization.



SUBJECT: CONFLICT OF INTEREST POLICY

PURPOSE: To facilitate compliance with Health and Safety Code Section 130140(d)(4)(A) requiring the county commission to adopt, in a public hearing, a policy consistent with state and local law regarding conflict of interest of Commission members.

To facilitate compliance with the Standards and Procedures for Audits of California Counties participating in the California Children and Families Program issued by the California State Controller, March 2006.

PART I. CONFLICT OF INTEREST CODE – GOVERNMENT CODE SECTION 87100

- A. The First 5 San Mateo County Commission (“First 5 San Mateo County” or the “Commission”) has a Conflict of Interest Code, which has been approved by the San Mateo County Board of Supervisors. Pursuant to Section 87306.5 of the Government Code, First 5 San Mateo County will review that Conflict of Interest Code biennially. First 5 San Mateo County has designated the following positions in its Code: Commissioners, Executive Director, Financial Analyst, and Consultants (when applicable).

- B. Form 700 filing. All individuals holding positions designated by the Conflict of Interest Code shall file the Form 700 of the California Fair Political Practices Commission, when assuming office, annually thereafter, and when leaving office as required by regulation.

- C. The Commission shall continue to have a conflict of interest code in effect at all times.

PART II. GOVERNMENT CODE SECTION 1090, et seq.

First 5 San Mateo County shall continue to conduct its business at all regular and special meetings of the Commission in accordance with the provisions of Government Code sections 1090, et seq., hereby incorporated by reference.

Pursuant to Section 1091.3 of the Government Code, First 5 San Mateo County Commissioners will recuse themselves from making, participating in making, or in any way attempting to use their official position to influence a decision on an agreement when the agreement directly relates to services to be provided by the member or the entity the member represents or financially benefits the member or the entity the member represents.

PART III. GOVERNMENT CODE SECTION 1125, et seq. (INCOMPATIBLE ACTIVITIES)

The Commission shall continue to conduct its operations consistent with Government Code Sections 1125, et seq. Except as provided in Sections 1128 and 1129 of the Government Code, First 5 San Mateo County Commission officers and employees shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to their duties as a First 5 San Mateo County Commission officer or employee or with the duties, functions, or responsibilities of their appointing power or the agency by which they are employed.

First 5 San Mateo County officers and employees shall not engage in any outside employment, activity, or enterprise if it: (1) involves the use for private gain or advantage of First 5 San Mateo County time, facilities, equipment and supplies; or the badge, uniform, prestige, or influence of First 5 San Mateo County office or employment or, (2) involves receipt or acceptance by the officer or employee of any money or other consideration from anyone other than First 5 San Mateo County for the performance of an act which the officer or employee, if not performing such act, would be required or expected to render in the regular course or hours of First 5 San Mateo County employment or as a part of his or her duties as a First 5 San Mateo County officer or employee or, (3) involves the performance of an act in other than his or her capacity as a First 5 San Mateo County officer or employee which act may later be subject directly or indirectly to the control, inspection, review, audit, or enforcement of any other officer or employee or the agency by which he or she is employed, or (4) involves the time demands as would render performance of his or her duties as a First 5 San Mateo County officer or employee less efficient.

Further, the incompatibility rules of the County of San Mateo, particularly the provisions of Section 2.75.060 of the Ordinance Code of the County of San Mateo, shall be, and are hereby adopted as the rules applicable to the First 5 San Mateo County Commissioners.

Further, each employee and officer of the Commission will be provided a copy of this policy. Engaging in incompatible activities will subject employees and officers to disciplinary action, up to and including termination. Any disciplinary action related to violation of this policy will be conducted in accordance with the Commission's general disciplinary processes, which provide the ability to contest imposition of discipline.

PART IV REPORTING A CONFLICT OF INTEREST

When a Commissioner first becomes aware of a conflict of interest or potential conflict of interest regarding a matter before the Commission or Committee, he or she must notify First 5 San Mateo County's legal counsel, the Executive Director or the chairperson of the Commission or the Committee. The facts of the conflict of interest will be recorded in the minutes of the Commission or Committee meeting.

First 5 San Mateo County

List of Designated Positions in the First 5 San Mateo County and Financial Disclosure Categories

Each person holding any position listed below must file statements disclosing the kinds of financial interest shown for the designated employee's position. Statements must be filed at the times and on the forms prescribed by law. Failure to file statements on time may result in penalties including but not limited to late fines.

<u>Designated Employees</u>	<u>Disclosure Category</u>
Commission Member	1,2,3,4
Executive Director	1,2,3,4
Consultants*	1,2,3,4

*The Executive Director, after consultation with the County Counsel, shall review the duties and authority of all consultants retained by the Commission. Those consultants who, within the meaning of Section 18700 (a)(2) of Title 2 of the California Code of Regulations are required to file statements of economic interests, shall do so. During each calendar year, First 5 San Mateo County shall maintain a list of such consultants for public inspection in the same manner and location as this Conflict of Interest Code. Nothing herein excuses any consultant from any other provision of the Conflict of Interest Code, specifically those dealing with disqualification.

Disclosure Categories

Category 1. A designated official or employee assigned to category 1 is required to disclose direct or indirect investments in any business entity that may foreseeably be affected materially by any decision made or participated in by the designated official or employee by virtue of his or her position.

Category 2. A designated official or employee assigned to category 2 is required to disclose interests in any real property that may foreseeably be affected materially by any decision made or participated in by the designated official or employee by virtue of his or her position.

Category 3. A designated official or employee assigned to category 3 is required to disclose any source of income that may foreseeably be affected materially by any decision made or participated in by the designated official or employee by virtue of his or her position.

Category 4. A designated official or employee assigned to category 4 is required to disclose any business entity in which the designated official or employee is a director, officer, partner, trustee, employee or holds any position of management that may foreseeably be affected materially by any decision made or participated in by the designated official or employee by virtue of his or her position



SUBJECT: SALARY AND BENEFITS POLICY

PURPOSE: To facilitate compliance with Health and Safety Code §130140(d)(6) requiring the county commission to adopt, in a public hearing, policies and processes establishing the salaries and benefits of employees of the county commission.

To facilitate compliance with the Standards and Procedures for Audits of California Counties Participating in the California Children and Families Program issued by the California State Controller, March 2006.

I. **STATEMENT OF POLICY**

As required by Health and Safety Code §130140(d)(6), salaries and benefits shall conform with established First 5 San Mateo County Commission and San Mateo County government policies.

II. **SALARY AND BENEFITS POLICIES AND PROCESSES**

The San Mateo County Board of Supervisors created the First 5 San Mateo County Commission in March 1999, Ordinance No. 3889. As an agency of the County, the First 5 San Mateo County Commission complies with the salaries and benefits policies and procedures that are applicable to all Boards and Commissions in the County, including:

- The Memorandum of Understanding between County of San Mateo and the applicable union that establishes the salaries for each job classification, as may be amended from time to time.
- County Resolutions that provides salaries and related matters for exempt management, management, confidential and other unrepresented employees, as may be amended from time to time.

Employee hiring, termination, payroll, pay increases and benefits are processed through the San Mateo County Employee and Personnel Services Department and the Controller's Office.



SUBJECT: SUPPLANTATION POLICY

PROHIBITING USE OF COMMISSION FUNDS TO SUPPLANT STATE OR LOCAL GOVERNMENT FUNDS

PURPOSE: The purpose of the policy is to assure compliance with Proposition 10, adopted by the voters in 1998. Revenue & Taxation Code section 30131.4 provides, in part, that Prop. 10 funds shall be used only to supplement existing levels of service and not to fund existing levels of service. It further provides that no money in the Commission’s trust fund shall be used to supplant state or local general fund money for any purpose.

POLICY:

1. No Commission funds shall be used to supplant state or local general fund money for any purpose. Commission funds shall be used only to supplement existing levels of service and not to fund existing levels of service.
2. To that end, no Commission funds shall be granted or used for any existing project or program funded by state or local general funds unless the proponent demonstrates to the Commission’s satisfaction that the Commission’s funding will be used to improve the quality or quantity of an existing service, and not to supplant existing funding.
3. The prohibition on supplantation was intended to prevent state and local governments from shifting fiscal responsibility for ongoing public programs to the state and local commissions. The prohibition on supplantation does not make reference to privately funded or federally funded programs. Therefore, the prohibition applies only to programs and services currently or previously funded by state or local government general funds, and which are “existing” as defined below.
4. The prohibition on supplantation was not intended to prevent, stifle or discourage state or local government agencies from funding pilot programs, which provide valuable innovations and formation. Therefore, the prohibition should not be interpreted to apply to pilot programs or services, as defined below.

Definitions:

Existing means, with respect to a level of service, a service that is in effect or operation at the time a request for funding is acted upon by the Commission, or at any time within the 12-month period preceding the Commission’s action.

State general funds means funds which are received into the treasury of the state and not required by law to be credited to any other fund.¹

Local government general funds means funds which are received into the treasury of the local government and not specially appropriated to any other fund.²

Level of service includes both the quality and quantity of services.

Pilot with respect to programs or services means those that are implemented on a temporary and limited basis in order to test and evaluate the effectiveness of the program, develop new techniques, or gather information.³

Supplant shall be given its ordinary meaning, that is, “to take the place of.”

Guidelines:

1. Every applicant must disclose in its application whether the program has received funding from other sources (whether local or state government, private, or federal) within the past three years, and as to any public funding, identify the law or program under which funding was received.
2. Any applicant that discloses that state or local government funding has been received for the proposed program or service within the last three years must also demonstrate to the Commission’s satisfaction:
 - a) That the program or service has not received state or local general funds within the 12 month period preceding the Commission’s action, or
 - b) That, if received, such funds have not been reduced during the 12 month period preceding the Commission’s action, or
 - c) That the program or service was a pilot project, and
 - d) That the Commission’s funds will be used to augment or improve the existing level of service, either in terms of quantity or quality.
3. The Commission may require the applicant to provide any additional information regarding sources and uses of funds at any time. Based upon all existing facts and circumstances, the Commission shall determine whether the proposal would violate this policy. The Commission’s determination will be made as of the time a grant agreement is entered into. For multi-year contracts or commitments, the Commission reserves the right to re-examine its determination that its funds will not be used in violation of this policy.

¹ See Gov. Code section 16300.

² See Gov. Code section 29301

³ See Penal Code section 5058.1



SUBJECT: DELEGATION OF AUTHORITY TO EXECUTIVE DIRECTOR TO TAKE ACTION TO SUPPORT OR OPPOSE LEGISLATION OR OTHER INITIATIVES

PURPOSE: On occasion, the Executive Director is approached with a time-sensitive request to sign a letter of support for (or opposition to) legislation or other initiatives related to First 5 San Mateo County's mission. This policy is intended to delegate authority to the Executive Director to take necessary action to provide that support (or opposition) consistent with the First 5 San Mateo County mission when certain conditions are met.

POLICY:

The First 5 Commission hereby delegates its authority to the Executive Director to sign documents or other materials on behalf of First 5 San Mateo County, when all of the following conditions are met:

1. The legislation or other initiative is directly related to, and consistent with First 5 San Mateo County's mission.
2. Because of time constraints, bringing the matter to the Commission at its next scheduled meeting is not practical.
3. Calling a special meeting to address the matter is either not practical or not appropriate under the circumstances.
4. The Executive Director has conferred with the Chair of the Commission and both the Executive Director and the Chair agree that: (a) the position that the Executive Director intends to take is consistent with the mission of First 5 San Mateo County; (b) bringing the matter to the Commission at its next scheduled meeting or at a special meeting is not practical or appropriate under the circumstances; and (c) taking the position without a vote of the Commission is appropriate under the circumstances.
5. The Executive Director reports at the next regularly scheduled Commission meeting as part of the Executive Director's Report any position taken pursuant to this policy.



SUBJECT: EVENT SPONSORSHIP POLICY

PURPOSE: To provide support for events targeted at children prenatally to age 5 and their families in San Mateo County.

POLICY: First 5 San Mateo County may provide sponsorship to an event and/or scholarships to parents or providers in the form of funding that meets the Event Sponsorship Eligibility Criteria:

First 5 San Mateo County (F5SMC) has a core strength and long history in developing partnerships and facilitating collaboration. Our vision of **success for every child** would not be possible without the collaboration of our partners throughout the County.

This set of guidelines provides direction for potential community partners interested in receiving sponsorship for community events. The goal is to sponsor community events that broaden F5SMC's reach into the community and focus on the following focus areas as defined in our strategic plan:

- Child Health and Development
- Family Engagement
- Early Learning

Event Sponsorship Eligibility Criteria

Parents or providers may request a sponsorship if the event meets the following criteria:

- The event ties to one or more of the focus areas above and are consistent with the Commission's vision and mission.
- The event targets families/children prenatally to age 5, high priority populations or communities as defined by F5SMC.
- The event takes place in San Mateo County.
- The event provides F5SMC with advertisement opportunity and/or includes F5SMC in promotions **prior** to, and **during** the event (e.g., print, radio, web, and televised advertisement and promotions).
- The event provides a booth space for F5SMC staff to participate during the event, if appropriate.
- The requesting agency coordinates with F5SMC staff to ensure proper crediting policy and general marketing is consistent with F5SMC standards and Style Guide whenever possible.
- The event is designated smoke free.
- The event is not used to lobby or otherwise attempt to influence legislation.
- The event is not used for religious purposes.
- The event is not used for fundraising purposes.

Event Sponsorship Award Amounts

- The Event Sponsorship Budget will be determined as part of the annual budget cycle preparation.
- Event Sponsorship requests in the amount of \$2,500 or less are reviewed and approved by the Executive Director; approval is based on meeting the eligibility criteria and is contingent upon budget appropriations.

Standards for Collaboration

- F5SMC will not endorse, directly or through implied endorsement, specific products, services, educational programs or enterprises.
- As a public agency, products developed in collaboration with F5SMC are in the public domain.

Post Event Reporting

- Sponsorship recipient will provide F5SMC with event outcomes data including but not limited to: attendance and participation of other community agencies; attendance of children up to age 5 and their families; an overall description of the event highlighting the value of community collaboration and of First 5's sponsorship investment.
- A representative from the requesting Agency may also be asked to make a brief presentation at a F5SMC Commission Meeting.

Organizations and businesses interested in the Event Sponsorship Program must submit the Sponsorship Request Form, which can be obtained from First 5 San Mateo County staff or downloaded at first5sanmateo.org.

Requests must be received eight weeks prior to the proposed event date. Event Sponsorship Requests will be accepted on a continuous basis as long as funding is available.

Submit Questions and/or Sponsorship Requests to:

Myra Cruz

1700 S. El Camino Real, Suite 405

San Mateo, CA 94402

ecruz@smcgov.org

**FIRST 5 SAN MATEO COUNTY COMMISSION
BYLAWS
Adopted April 2018**

ARTICLE I (Authority)

These bylaws (“Bylaws”) are adopted by the First 5 San Mateo County Commission (the “Commission” or “F5SMC”) to establish rules for its proceedings. The Commission is authorized by, and shall operate consistent with, the Children and Families First Act of 1998, as amended (the “State Act”), and Chapter 2.24 of the San Mateo County Ordinance Code, as amended (the “County Ordinance”).

ARTICLE II (Vision, Mission, Outcomes and Status)

The vision of the Commission is “Success for every child.”

The mission of the Commission is to promote positive outcomes for young children and their families through strategic investments, community leadership, and effective partnerships.

F5SMC adopted the following desired outcomes to guide its efforts in its 2015-2020 Strategic Plan:

1. San Mateo County prioritizes young children and their families;
2. Communities provide a safe and healthy environment for young children;
3. Children have access to high-quality early care and education settings;
4. Families feel connected to and supported by their community and are able to nurture their children’s health and development;
5. Children have healthy attachments to their parents and caregivers; and
6. Children have access to and are utilizing appropriate health care services to meet their health and developmental needs.

F5SMC is an agency of the County of San Mateo (the “County”) with independent authority over the Strategic Plan and the Local Trust Fund. Obligations of F5SMC shall be the obligations solely of the Commission and shall not directly or indirectly be obligations of the County or any officials, employees or agents of the County. The County shall not be liable for any act or omission of the Commission.

ARTICLE III (Powers and Duties)

The duties of the Commission shall be those proscribed in the State Act and the County Ordinance and may include the following:

- Adopt Strategic Plan for the support and improvement of early childhood improvement within the County, consistent with the requirements of the State Act and any other applicable state laws and County guidelines.
- At least annually, conduct a review of the Strategic Plan and revise the plan as may be necessary or appropriate, and conduct at least one public hearing on the Commission’s review of the plan before

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any revisions to the plan are adopted and submitted to the First 5 California Commission (the “State Commission”).

- Measure outcomes of funded programs through the use of applicable, reliable indicators and review on a periodic basis as part of the public review of the Strategic Plan.
- Prepare and adopt an annual audit and report pursuant to Health and Safety Code Section 130150, and conduct at least one public hearing prior to adopting any annual audit or report.
- Review the State First 5 California Commission annual report at a public hearing.
- Adopt policies and procedures consistent with the requirements of the State Act.
- Establish one or more advisory committees to provide technical and professional expertise and support for any purposes that will be beneficial in accomplishing the purposes of the State Act.
- Enter into such contracts as necessary or appropriate to carry out the provisions and purposes of the State Act or the County Ordinance.

ARTICLE IV (Commission Membership)

The composition of the Commission, and the membership qualifications, terms, entitlement to compensation, and all other aspects of Commission membership shall be as proscribed by the County Ordinance or the State Act in the absence of an applicable provision of the County Ordinance.

ARTICLE V (Conflicts of Interest Policy)

The Commission shall by resolution adopt and may amend a Conflicts of Interest policy for the Commission as required by applicable law. Any such policy, and any amendments thereto, shall be consistent with County policies and requirements.

Each Commissioner shall file a statement disclosing reportable economic interests in accordance with the Political Reform Act of 1974 and the regulations of the Fair Political Practices Commission and the Commission’s Conflict of Interest Policy.

ARTICLE VI (Officers)

1. Officers:

- A. Officers of the Commission shall be a Chair and Vice-Chair and such other officers as the Commission may from time to time provide. The Chair, who shall be a Commissioner, shall preside over all business and meetings of the Commission, appoint chairs of standing and *ad hoc* committees, and exercise such other powers and perform such other duties as may be prescribed by the Commission.
- B. The Vice Chair shall be a Commissioner, and in the Chair’s absence or inability to act, shall preside at the meetings of the Commission. If both the Chair and Vice-Chair will be absent or unable to act at a meeting at which a quorum of the Commission will be present, the Chair may in advance of said meeting appoint a Commissioner to preside at said meeting over all business of the Commission, appoint chairs of standing and *ad hoc* committees, and exercise such powers and perform such other duties of the Chair as may be prescribed by the Commission.

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2. Terms and Removal:

Officers of the Commission shall be chosen annually through an election to be held at the last scheduled meeting of each calendar year, unless an earlier election is necessary because of a vacancy or vacancies on the Commission. Officers shall serve from the date of their election until a successor is selected, or until an earlier removal or resignation.

ARTICLE VII (Staffing)

1. Executive Director:

The Commission hires, evaluates, and terminates the Executive Director. The Executive Director shall act under the authority of, and in accordance with the direction of the Commission.

2. Staff:

The Executive Director hires, evaluates and terminates F5SMC Staff.

ARTICLE VIII (Meetings)

1. Regular and Special Meetings:

- A. The Commission and its standing committee(s) shall be subject to the provisions of Chapter 9 (Commencing with Section 54950) of Part I, Division 2 Title 5 of the Government Code, relating to meetings of local agencies (the “Ralph M. Brown Act” or the “Brown Act”).
- B. The Commission shall meet regularly at times and places to be determined by the Commission. There shall be at least 4 meetings each calendar year, generally on the fourth (4th) Monday of the month.
- C. Special meetings may be called at a time and place designated by the Chair. The Commission staff shall give notices of regular and special meetings in accordance with the Brown Act.

2. Open and Public:

All meetings of the Commission shall be held in accordance with the Brown Act.

3. Quorum:

A quorum is required to initiate the transaction of business at any regular or special meeting of the Commission. A quorum is a majority of the seated members of the Commission. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Commissioners, provided that any action taken is approved by at least four Commissioners.

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4. Voting:

Except as otherwise provided by these Bylaws, all official acts of the Commission require the affirmative vote of a majority of the Commissioners who are present and voting as long as the quorum requirements are met. No official act shall be approved with less than the affirmative vote of four Commissioners.

5. Recusals:

A Commissioner shall recuse him or herself from making, participating in making, or in any way attempting to use his or her official position to influence a decision on a contract or grant where the contract or grant directly relates to services to be provided by that Commissioner or the entity that the Commissioner represents or financially benefits the Commissioner or the entity that he or she represents, or as otherwise required by applicable law or by the Conflict of Interest Policy of the Commission.

6. Minutes:

Commission staff shall prepare the minutes of each meeting of the Commission. ~~and shall post them on the Commission website after approval by the Commission.~~

ARTICLE IX (Committees)

1. Advisory Committees:

The Commission shall establish one or more advisory committees to provide technical and professional expertise and support for any purpose that will be beneficial in accomplishing the purpose of the State Act and of the Commission. Advisory committees shall meet and shall make recommendations and reports as deemed necessary or appropriate.

A. Early Childhood Evaluation Advisory Committee:

The duties and responsibilities of this Committee shall be to advise the full Commission on issues related to planning and implementing the Commission's research and evaluation activities; to hear the perspectives of F5SMC grantees on evaluation and data collection and utilization; to serve as the initial audience for research and evaluation findings; and to provide guidance to staff and evaluation contractors regarding presentation of results to the full Commission.

2. Standing Committees and Appointment of Members:

The Commission may establish standing and *ad hoc* committees and appoint members to those committees, wherever necessary. The following standing committees have been established: the Finance and Administration Committee and the Program, Operations and Planning Committee.

A. Finance and Administration Committee:

The duties and responsibilities of the Finance and Administration Committee shall be to advise the Commission concerning the budget, administrative costs, savings, investments, fixed assets, long term financial plan, financial objectives, funding strategies and annual allocation plan, annual financial audit, and other tasks and issues as assigned by the Commission.

B. Program, Operations and Planning Committee:

The duties and responsibilities of the Program, Operations and Planning Committee shall be to advise the Commission concerning the County's Children and Families First Strategic

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Plan, policies concerning programs to be implemented and supported under the Strategic Plan, community needs assessments, program evaluations and other tasks and issues as assigned by the Commission.

3. Conflicts of Interest:

Commission members shall abide by all applicable laws, policies and regulations governing conflicts of interest, including those adopted by this Commission, the Board of Supervisors and the State Commission.

4. Committee Membership:

Notwithstanding section 3 above, persons who are not members of the Commission, including other elected officials and public members, may be appointed to serve on any committee established by the Commission. Unless otherwise provided, standing committee memberships shall be reviewed annually by either the Chair or the Commission as a whole.

5. Meetings:

Regular meetings of standing committees shall be held at times and places determined by the Commission. Special meetings may be held at any time and place as designated by the Chair of the Commission or the Chair of the Committee. A majority of the members of the committee shall constitute a quorum for that committee.

6. Open and Public:

All meetings of standing committees shall be held in accordance with the Brown Act.

ARTICLE X (Procedures for Conduct of Business)

1. Executive Director Signature Authority:

The Executive Director shall have such signature authority to approve and execute service agreements, memorandums of understanding and/or contracts up to \$25,000. After receiving direction to proceed from the Commission Chair, the Executive Director has signature authority to approve all service agreements, memorandums of understanding, and/or contracts above \$25,000 and up to \$50,000 on behalf of the Commission.

2. Apply for Grants:

All grants, gifts, or bequests of money made to or for the benefit of the Commission from public or private sources to be used for early childhood development programs shall be expended for the specific purpose for which the grant, gift, or bequest was made. The amount of any such grant, gift, or bequest shall not be considered in computing the amount allocated and appropriated to the Commission by the State Board of Equalization.

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ARTICLES XI (Amendments)

These Bylaws may be amended or repealed by the Commission at any duly-noticed regular or special meeting by a majority vote of the Commissioners who are present and voting as long as the quorum requirements are met. No amendment to or repeal of these Bylaws shall be approved with less than the affirmative vote of five Commissioners.

DATE ADOPTED: _____

SIGNED BY:

Chair, First 5 San Mateo County Commission



SUBJECT: ADMINISTRATIVE COSTS POLICY (Amended)

- Categorizing Administrative costs, Program costs, and Evaluation costs
- Defining Administrative costs.
- Determining the maximum allowable Administration costs as a percentage of the commission's total operating budget.
- Monitoring the Administrative cost percentage to ensure the actual Administrative costs do not exceed the maximum rate adopted by the commission.

PURPOSE: To facilitate compliance with Health and Safety Code §130140(d)(5) requiring the county commission to adopt, in a public hearing, a limit on the percentage of the county commission's operating budget that may be spent on administrative functions.

To facilitate compliance with the Standards and Procedures for Audits of California Counties Participating in the California Children and Families Program issued by the California State Controller, March 2006.

I. **STATEMENT OF POLICY**

First 5 San Mateo County will consistently identify Administrative costs following the guidelines outlined in this policy and monitor the actual Administrative costs as a percentage of its annual operating budget.

II. **COST CATEGORIES**

All costs fall into one of three major categories: Administrative, Program, or Evaluation. Administrative costs are differentiated from Program costs and Evaluation costs in accordance with the guidelines provided through the *Financial Management Guide¹ of First 5 Association of California*; its *Cost Allocation and Administrative Cost²* provide guidelines in categorizing and allocating costs.

¹ The Guide is a product of the California First 5 Association's and the State Commission's joint technical assistance effort and a direct result of a financial management assessment conducted by the Government Finance Officers Association (GFOA) in response to new legislation.

² Financial Management Guide, First 5 Association of California (the Fifth Edition, 2015) Cost Allocation (pages 36-37); Administrative Cost, (page 61-65)

III. ADMINISTRATIVE COST DEFINITION

Administrative costs: Costs incurred in support of the general management and administration of a First 5 Commission, for a common or joint purpose that benefits more than one cost objective (other than Evaluation and Program activities), and/or those costs not readily assignable to a specifically benefited cost objective.

Administrative costs include all salaries, benefits, services, and supply costs not readily identifiable as costs of the Commission's Evaluation or Program activities. Commission staff will adhere to the above definition for budgeting, accounting, and financial reporting processes. Staff utilizes certain codes for reporting processes to identify costs as Program, Evaluation, or Administration according to their nature. Except when there is information to determine a direct allocation of operating costs, shared operating costs/office expenses will be allocated by a systematic, valid and rational allocation methodology. The methodology will be reviewed annually and presented with the annual budget.

III. MAXIMUM ALLOWABLE ADMINISTRATIVE COSTS AS A PERCENTAGE OF THE OPERATING BUDGET

The Commission will monitor actual Administrative costs so that, in any one year, Administrative costs do not exceed 15% of the Commission's annual operating budget.

IV. MONITORING

The Administrative costs' percentage will be monitored quarterly by the Commission's fiscal staff and reported to the Executive Director and Finance Committee. In the event that Administrative costs exceed 15% of the operating budget, the Commission will review and approve a corrective action plan to achieve the desired percentage. The Commission may increase or decrease the maximum allowable Administration percentage as changing fiscal or legislative circumstances require.

Figure1: Cost Category Delineation

ADMINISTRATIVE COST* Costs incurred in support of the general management and administration of a First 5 commission for a common or joint purpose that benefits more than one cost objective (other than evaluation activities), and/or those costs not readily assignable to a specifically benefited cost objective.	PROGRAM COST Costs incurred by local First 5 commissions readily assignable to a program, grantee, contractor, or service provider (other than evaluation activities) and/or in the execution of direct service provision.	EVALUATION COST Costs incurred by local First 5 commissions in the evaluation of funded programs based upon their accountability framework and data collection and evaluation for required reporting to state and local stakeholders.
General accounting/financial reporting	Direct services	Evaluation**
Local annual reporting activities	Program outreach and education	Evaluation technical assistance
Financial planning	Program planning	Evaluation database
Commission/association meetings and travel	Program grants and contracts	Travel and training related to evaluation
Payroll/benefits	Program/provider technical assistance and support (formerly Quality Assurance)	
Human resources services	Program Database management	
Legal services/consulting	Contract compliance	
Contract compliance		
Audit		
Strategic planning		
Procurement		
Rent		
Maintenance		
Utilities		
Insurance		
Cleaning/Janitorial		
<p>*These costs are typically administrative, but some may be allocated as appropriate to Program or Evaluation. For example, occupancy, utilities and indirect costs associated with the office space or salary of a program or evaluation staff person could be allocated to program or evaluation. In another example, an ED who attends a training on evaluation may charge this time and travel to evaluation.</p> <p>**Includes conduct of focus groups and case studies, state evaluation report production, and presentation.</p>		



SUBJECT: ADMINISTRATIVE COSTS POLICY (Amended)

- Categorizing Administrative costs, Program costs, and Evaluation costs
- Defining Administrative costs.
- Determining the maximum allowable Administration costs as a percentage of the commission's total operating budget.
- Monitoring the Administrative cost percentage to ensure the actual Administrative costs do not exceed the maximum rate adopted by the commission.

PURPOSE: To facilitate compliance with Health and Safety Code §130140(d)(5) requiring the county commission to adopt, in a public hearing, a limit on the percentage of the county commission's operating budget that may be spent on administrative functions.

To facilitate compliance with the Standards and Procedures for Audits of California Counties Participating in the California Children and Families Program issued by the California State Controller, March 2006.

I. **STATEMENT OF POLICY**

First 5 San Mateo County will consistently identify Administrative costs following the guidelines outlined in this policy and monitor the actual Administrative costs as a percentage of its annual operating budget.

II. **COST CATEGORIES**

All costs fall into one of three major categories: Administrative, Program, or Evaluation. For the purpose of this policy, Administrative costs should be differentiated from Program costs and Evaluation costs in accordance with the guidelines provided through the *Financial Management Guide*¹ of First 5 Association of California; and its *Cost Allocation and Administrative Cost*² provide guidelines in categorizing and allocating costs.

¹ The Guide is a product of the California First 5 Association's and the State Commission's joint technical assistance effort and a direct result of a financial management assessment conducted by the Government Finance Officers Association (GFOA) in response to new legislation.

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Examples of administrative costs are:

1. General accounting/financial reporting
2. Local annual reporting
3. Financial planning
4. Payroll/Benefits
5. Human resources services
6. Legal services
7. Contract compliance
8. Audit costs
9. Strategic planning
10. Procurement
11. Rent
12. Maintenance
13. Utilities
14. Insurance
15. Cleaning/Janitorial

Staff time may be devoted to any of these functions, and must be tracked appropriately in accordance with the guidelines provided through the First 5 Financial Management Guide⁶. As a result, payroll/benefits may be allocated between Administration, Program and Evaluation costs.

For the Commission, Administrative costs include all salaries, benefits, services, and supply costs not readily identifiable as costs of the Commission's Evaluation or Program activities. Commission staff will adhere to the above definition for budgeting, accounting, and financial reporting processes. Staff utilizes certain codes for reporting processes to identify costs as Program, Evaluation, or Administration according to their nature. Except when there is information to determine a direct allocation of operating costs, shared operating costs/office expenses will be allocated by a systematic, valid and rational allocation methodology. The methodology will be reviewed annually and presented with the annual budget.

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