



# City of San Antonio

## Agenda Memorandum

**File Number:**  
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**Agenda Item Number:** 3

**Agenda Date:** July 25, 2023

**In Control:** Head Start Policy Council Meeting

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**DEPARTMENT:** Department of Human Services

**DEPARTMENT HEAD:** Melody Woosley

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Correspondence – Treatment of Rebates, Refunds, Discounts, and Similar Cost Savings

**SUMMARY:**

This item presents the following from the Department of Human Services (DHS) Head Start, Early Head Start, and Early Head Start-Child Care Partnership programs for action by the Head Start Policy Council.

**BACKGROUND INFORMATION:**

Head Start recipients receive a wide variety of rebates, tax credits, refunds, discounts, and similar cost savings that affect the net cost of goods and services or are received as cash payments, such as insurance proceeds and cash-back credit card rewards. Applicable credits are addressed in the Uniform Guidance at 45 CFR §§75.406, 75.402, 75.453 and within the HHS Grants Policy Statement 1-22, 11-28, 11-62, 11-65, B-2.

The purpose of this Information Memorandum (IM) is to provide guidance on cost-saving measures and how the savings should be treated by the recipient toward the Head Start award. The IM will also guide recipients in ensuring that direct and indirect cost reductions or cash refunds that relate to a Head Start award are reflected in the recipient's accounting practices, allocated correctly, and returned to the federal award appropriately. This IM supersedes ACFIM-HS-12-09.

**ISSUE:**

Rules and regulations for the Head Start, Early Head Start, and Early Start-Child Care Partnership grants as set forth by the U.S. Department of Health and Human Services (HHS) require the Head Start Policy Council to review programmatic actions to oversee certain key responsibilities.

**FISCAL IMPACT:**

There is no anticipated impact to the general fund as a result of these actions.

**ALTERNATIVES:**

The review of the items included in this memorandum are required for program compliance with U.S. Department of Health and Human Services rules and regulations for Head Start, Early Head Start, and Early Head Start- Child Care Partnership programs.

**RECOMMENDATION:**

Staff will present a briefing on this item subject to possible action by the HSPC Committee. Staff recommends review and approval of the items included in this memorandum.