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Early Childhood Guide to Blending & Braiding in New York

SPARK POLICY INSTITUTE
igniting public policy and community change

A "How to" Guide



Prepared by Spark Policy Institute on behalf of the New York State Early Childhood Advisory Council Finance Work Group



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INTRODUCTION TO THIS GUIDE

This Guide is intended as a practical tool to help organizations and communities undertake a planning process that leads to a blended or braided funding model. Blending and/or braiding funds can allow early childhood programs to cover a broader population who are in need, provide a broader array of needed services, support program infrastructure, and sustain programs if a funding stream is no longer available or has been reduced.

The Guide contains detailed definitions on blending and braiding and actionable information on how to develop blended and braided models.

This guide is best used to:

- Improve your understanding of the concepts of blending and braiding; and
- Improve your understanding of a process for planning a blended and braided financing model.

This guide is designed for the following audiences:

- Local government, non-profits, and collaborative efforts;
- Program managers and administrators, including staff with fiscal expertise; and
- Organizations working in the early childhood system.

This guide is best used by:

- Reading the definitions of blending and braiding; and
- Following the Phase by Phase instructions for the planning process, including accessing Templates online at <http://sparkpolicy.com/fiscalguides.htm>.

This guide is NOT:

- An overview of funding streams available for early childhood programs.
 - To see a fiscal analysis of specific funding streams for home visiting programs, see the companion guide to this guide: <http://sparkpolicy.com/fiscalguides.htm>
 - For information about using Medicaid with home visiting programs, see the Pew Charitable Trusts report, “Medicaid Financing of Early Childhood Home Visiting Programs, Options, Opportunities, and Challenges.” <http://www.pewstates.org/research/reports/medicaid-financing-of-early-childhood-home-visiting-programs-85899401369>
 - For information about maximizing funding resources for early childhood services, see CLASP’s report, “Putting it Together: A Guide to Financing Comprehensive Services in Child Care and Early Education.” http://www.clasp.org/resources_and_publications/publication?id=1148&list=publications#sthash.V1oNoaU5.dpuf
 - For New York State specific information on early childhood please review the publications on the Schuyler Center for Analysis and Advocacy website. <http://www.scaany.org/resources/publications.php>
- A guide to planning and engaging partners – to learn more about how to engage families and youth in complex funding issues, please visit the Spark Policy Institute’s Family and Youth Involvement Workbook. http://sparkpolicy.com/fiscalfam_youth.htm

- A guide to sustainability – to learn more about sustainability, please visit the Finance Project’s Sustainability Workbook. <http://www.financeproject.org/special/engage/workbook.cfm>
- Legal or regulatory advice on funding streams – to learn specifics about funding streams, OMB Circular A-87, or other fiscal regulation, please contact your funders.

Request for Feedback: This guide is intended as a practical, hands-on resource for blending and braiding. As you use the guide, please take a moment to provide feedback, including requests for additional guidance or information, at <http://sparkpolicy.com/fiscalguides.htm>

PART 1. WHAT ARE BLENDING & BRAIDING?

The terms blending and braiding are used frequently, often together, and generally with little definition. However, they refer to two very different approaches to fiscal coordination.

DEFINING BLENDING

Blending funding involves co-mingling the funds into one “pot” where case managers can draw down service dollars, personnel expenses can be paid, or other program needs can be met. When funding is blended, it goes into the “pot” and when it is pulled back out to pay for an expense, there is no means for the fiscal manager to report which funding stream paid for exactly which expense.

Blending funding is politically challenging. Some funding streams cannot be blended. Other funding streams will require the funder to allow an exception to how the reporting normally functions. Instead of usual reporting, funders can opt to accept reports on services and outcomes across the population being served, rather than exactly which children and families received services with their dollars. To blend your funding, you will need to work closely with your funders and ensure you can meet their reporting requirements.



Though it is challenging politically, once your funders are on board, blended funding is less challenging to implement than braided funding. There is significantly less workload, as the tracking and accountability happens across all of the funding streams. Rather than reporting to funders on their funding stream alone, reporting is done on how the collective funds are used. Blended funding can allow you to pay for services that may not be allowable with more categorical funding approaches. However, for many funders, the flexibility associated with blending makes it seem too “risky” as it often looks like supplanting,¹ and they end up with less detailed information about how each of their dollars have been spent. For this reason, many funders are only willing to contribute small amounts, if any, to a blended model.

Example of Blending

Blending can be very beneficial for both your program and your funder. Imagine being able to report to your funder that your program costs \$1,000 per family on average and, because of blended funding, the \$25,000 they provided allowed the program to serve 50 families eligible for their funding stream. With blending, this is the type of reporting that is possible: cost per person served, number served who are eligible for each funding stream, outcomes for all people served, and how blending multiple funding streams allowed more people to be served.

The diagram below shows how blended funding can allow for more families to be served than each funder could have served alone. If a program costs \$1,000 per family served and 100 families are served, it needs a budget of \$100,000 to be successful. Imagine the following funding scenario:

- Funding Stream A: Eligible population is families with children 0 to 3.
- Funding Stream B: Eligible population is any families involved with child welfare.

¹ Supplanting is defined as reducing the funding used from an existing funding stream and replacing it with a new funding stream. For example, if you have \$10,000 in local dollars and you receive \$5,000 from the state for the same program, you need to provide \$15,000 in services. If you reduced the local funding that otherwise would have been spent on the program to \$5,000 and continue to provide \$10,000 in services, you will be supplanting local funding with state funding.

- Funding Stream C: Eligible population is families with children under the age of 19 who make less than \$75,000 per year.

The actual population served is 100 families with children 0 to 5 years old. All of the families meet the income requirement of Funding Stream C. Among those 100 families, 20 have children 0 to 3 years old, 40 are involved with child welfare, and 10 have children 0 to 3 years old and are involved with child welfare. This means all families are eligible for multiple programs, as they are all eligible for Funding Stream C and 10 families are eligible for both A and B as well:

- 30 families are eligible for Funding Stream A (All have children under 3 and 10 out of the 30 are also involved with child welfare);
- 50 families are eligible for Funding Stream B (All are involved with child welfare and 10 out of 50 have children under 3); and
- 100 families are eligible for Funding Stream C (All families have children under the age of 19 and make less than \$75,000 per year).

Now, let's explore how the \$100,000 in funding across three funding streams can support this program.



In this scenario, as is generally true with blended funding, all of the funders benefit by having more eligible families served than their funding stream alone can support. With a case rate of \$1,000 per family served:

- Funding Stream A is paying for 25 families to be served, but 30 families eligible for the funding stream will receive services.
- Funding Stream B is paying for 25 families to be served, but 50 families who are eligible for the funding stream will receive services.
- Funding Stream C is paying for 50 families to be served, but 100 families who are eligible for the funding stream will receive services.

This scenario also highlights some of the things a program must do to report blended funding to the funders:

- *Document the cost of providing services.*

To prepare for a blended funding model, you must demonstrate the cost of providing services. In essence, you are creating the “case rate” for providing the set of services you are offering in your program. That case rate lets your funders know what to expect from the funding they provide. Similar to negotiating an indirect rate, the basis for the case rate comes from your existing accounting information. However, unlike an indirect rate, the case rate is

also tied to the capacity of your staff to provide services – how many children, families, etc. they can serve in a given time period – and the length of time that most of your clients stay in your program.

For the example program, if it is a predefined service of 10 weeks, the \$1,000 might support the staff working with the families for the ten weeks, the stipends for families' participation, and the cost of food or activities. It might also support 15% of the total budget that goes toward indirect expenses.

By knowing the case rate of your services, you can assure your funder that you are not supplanting another funding stream with their funding. Instead, you are expanding the capacity of your program to serve additional families. A typical blended funding contract or grant will clearly articulate the number of additional children/families/etc. who will be served as a result of the added funding.

Once you know the case rate for your services, you can also open your doors to any organization with funding who has a client who could benefit from your services. Using the example program, perhaps there is a family making over \$75,000, who doesn't meet the qualifications for the funding streams supporting the program, but is experiencing similar issues to other clients in your program. By knowing that it costs \$1,000 to serve the family, the program can contract with the referring organization to provide the service, instead of turning the family away due to lack of eligibility.

- *Track the eligibility of all participants in your program for all funding streams supporting your program.*

If you have multiple funding sources covering all of the clients in your program, it is critical to assess the eligibility of every client served for every funding stream. This is part of how you will report the leveraging of funds to your funders. It will also prepare you to return to the funder to ask for more funding if their eligibility covers a larger portion of the population served than their funding is supporting.

For example, imagine the program described above stopped tracking family income after 50 families with eligible incomes are served. Each year, the program could tell Funder C that it served enough families given the funding provided. But what happens if Funder A pulls out their \$25,000? The program would need data indicating that the 25 families it can no longer serve are also eligible for Funding Stream C, so the program can return to that funder with justification for asking for increased funding.

It is important to remember that families who are eligible for two funding streams are not being served twice. In the example above, a family eligible for funding stream C costs \$1,000 to serve. A family eligible for both funding streams A and C still costs only \$1,000 to serve. No double dipping is occurring – rather, the program as a whole is able to serve more families eligible for each funding stream than could occur if separate programs were developed for each funding stream.

- *Measure the outcomes of your services.*

In a traditional model, a funder knows exactly where their money went and can feel good about the detailed services provided to a clearly defined set of clients. In a blended model, the funder loses that “widget counting” level of detail. By evaluating outcomes of your program, you are replacing the “widgets” with equally hard data, as well as providing data that helps the funder to understand what their funding accomplished, not just what their funding paid for.

If you currently lack the types of cost data described above or have no mechanisms in place to track outcomes, you may want to start with a braided funding model, and transition to a blended model as you collect and analyze your costs, build improved relationships with funders, clearly identify your eligible populations, and start assessing the outcomes of your services. To understand audit requirements, take the time to meet with contract managers and

auditors prior to spending any of the funding. Not only do you need to ensure the approach you're designing meets the expectations programmatically (from your program officer), you need to know it will pass muster fiscally (from your contract manager or auditor).

DEFINING BRAIDING

Braided funding involves multiple funding streams utilized to pay for all of the services needed by a given population, with careful accounting of how every dollar from each funding stream is spent.

The term braiding is used because multiple funding streams are initially separate, brought together to pay for more than any one funding stream can support, and then carefully pulled back apart to report to funders on how the money was spent.



Braided funding is often the only option. Federal funding streams require careful tracking of staff time and expenses, to ensure that a federal funding stream only pays for those things directly associated with the intent of the funding.

Consequently, when multiple funding streams are paying for a single program or system, the system will need to be carefully designed to allow for sufficient reporting to ensure each funding stream is only paying for activities eligible under that funding stream.

Braided funding requires significant effort to create the systems for tracking how funding is utilized. The design of a *braided funding system* that can respond to the individualized needs of many types of clients will require staff with the authority to decide which services will be paid for by which funding streams. Ideally, this decision happens after the needs of the individual or family being served are identified, so that the funding does not drive the services being provided. This type of braided model requires a clear understanding of the eligible populations and the eligible services, so that decisions on how to fund the services can be made post-hoc, rather than prior to discussing service needs with the families.

The design of a *blended funding system* is simpler than the design of a braided funding system. Programs typically have clearly defined services that are provided and sometimes have very defined populations who are eligible for services.

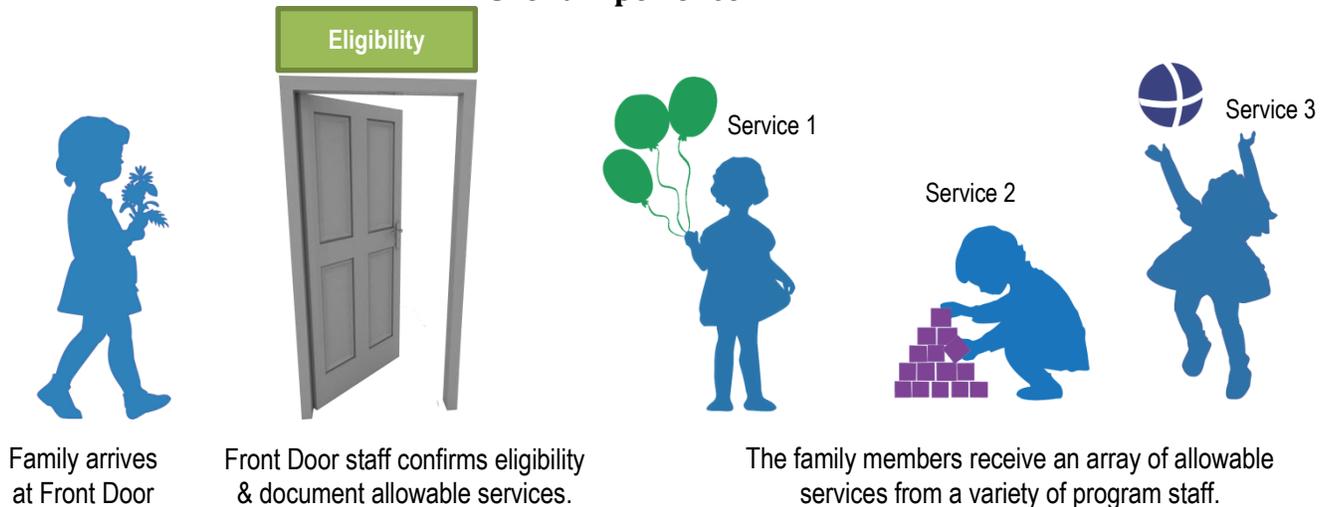
Example of Braiding for a Program

Using the same scenario as the blended funding example, let's imagine a braided funding strategy was used to support your family services program. Instead of reporting to your funder that your program costs \$1,000 on average, you will be reporting to the funder exactly what you spent their money on. Imagine the following funding scenario:

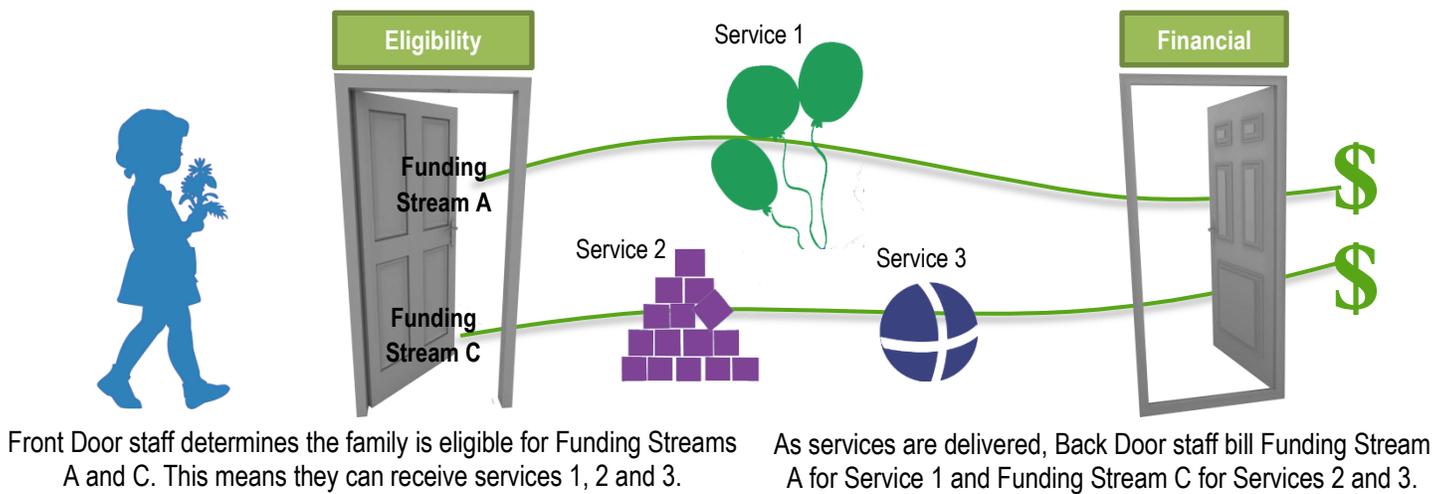
- Funding Stream A: Eligible population is families with children 0 to 3 years old. Funding can be used for Service 1 only.
- Funding Stream B: Eligible population is families involved with child welfare. Funding can be used for Service 3 only.
- Funding Stream C: Eligible population is families with children under the age of 19 making less than \$75,000 per year. Funding can be used for Services 1, 2, or 3.

Using the picture below, imagine a family arrives at the program and the front door staff determines the family is eligible for Funding Streams A and C. This means any of the three services can be provided. The family is allowed into the program and their case file documents the allowable services (1, 2 and 3).

Client Experience



Braided Funding Process



As the family is served, the back door staff bill the appropriate funding streams for the services. Although all of the services could be billed to Funding Stream C, the fiscal officer decides to bill Service 1 to Funding Stream A, to ensure spend-down of the less flexible funding stream. For all of the families in this program, the fiscal officer responsible for the allocation of the family's expenses to funding streams would have the ability to choose the funding stream that will pay for the time and resources spent delivering services to the family. The fiscal officer would start with the more restrictive funding streams (A and B) and allocate expenses for an eligible family's services to those funding streams until they are fully expended.

In allocating expenses towards funding streams, what the fiscal officer is actually doing is creating an alternative to time and effort reporting. For more information about time and effort reporting and alternative ways of tracking personnel time, see Appendix A on the federal Circular A-87.

In this scenario, as is generally true with braided funding, all of the funders benefit by having more services provided to the eligible families than their funding stream is supporting. This scenario also highlights some of the things a program must do to report braided funding to the funders:

- *Know exactly what each funding stream can and cannot pay for.*

A braided model may be primarily necessary due to limits on eligible populations across your various funding streams. Braided funding may also be necessary due to limits on types of services you can provide under certain funding streams. It is likely that your braided model is a combination of both of these issues. Before spending any of your funding, it is important to develop a coordinated financing plan that distributes funding appropriately by funding stream. The second section in this book provides step by step guidance to develop your plan.

- *Know the reporting and auditing requirements of each funding stream.*

A braided funding model can also be necessary even when you have funding streams equally eligible to pay for all the services you are providing to all the clients you are serving. Federal requirements for cost allocation can make it very difficult, though not impossible, to use a blended funding model. For more information about using federal funding see Appendix A, which discusses OMB Circular A-87, and A-122.

To understand audit requirements, take the time to meet with auditors prior to spending any of the funding. Often, program managers are the only point of contact between a grantee and the funder. However, the contract manager or auditor can be a critical resource to your community as you develop braided and blended models. Not only do you need to ensure the approach you're designing meets the expectations programmatically (from your program officer), you need to know it will pass muster fiscally (from your contract manager or auditor).

- *Develop decision-making systems if some populations you serve will not be eligible for all services due to funding limitations.*

A braided funding model needs very clearly defined decision-making authority and systems. You will need to clearly define what populations are eligible for services through your model and make sure the Front Door of your program knows the eligibility. When a family or individual enters through the Front Door, the staff assigned to that part of your system need to be vested with the authority to determine whether services can be provided.

A second stage of decision-making needs to be associated with the services that can be provided. Ideally, you have identified a sufficient number of funding streams with enough flexibility that any eligible family or individual is eligible for any service provided through your program or system. However, it may be that some services are limited to some populations you are serving. Your programmatic staff who are responsible for working with families and their natural supports to develop a case plan must be vested with the authority to allocate services, and need sufficient information to understand if there are limitations on who can receive specific services.

The last stage of decision-making is the financial component, which should occur at the Back Door, not the Front Door. After services are provided, you need financial staff who can take responsibility for assigning the funding streams that will cover the costs. If your Front Door is well designed, your Back Door will never run into a situation where a service has been provided that cannot be paid for.

- *Develop tracking systems that allow you to account for how every dollar is spent, including things like personnel time and supplies.*

If you are using any federal funding, you will most likely need detailed time and effort reporting by all personnel and contractors. Ideally, your system will not ask your personnel to allocate their time to funding streams, but rather it will request that they allocate their time to activities. Then, your fiscal staff can determine which funding stream is appropriate and needs to be spent down at any given time. This ensures that fiscal braiding is occurring,

not simply braiding of programs. To understand the difference between fiscal braiding and programmatic braiding, read the two case studies at the end of this chapter.

Tracking systems will need to include:

- Eligibility of the families and individuals you're serving;
- Decisions made regarding eligibility, services to be provided, and funding streams that will pay for the services;
- Time and effort reporting for staff, tied to the allowable activities under each funding stream;
- Expense logs associated with staff time and activities or services being delivered, which can be used to justify the expenses allocated to each grant; and
- Anything else you, your funder and auditor, and your fiscal staff identify as necessary.

The most important thing to remember with braiding is that each of your funding streams will retain their original requirements and expectations, including all of the tracking and reporting requirements. You must manage your funds as if they are independent, even if you are utilizing them collectively to support a coordinated package of services to shared clients.

PROGRAMMATIC BRAIDING

Most non-profits are already doing braiding, but it is more accurately described as *programmatic braiding*, not fiscal braiding. Programmatic braiding is when you have multiple funding streams, each covering particular populations and services. The funding is largely used to pay for staff time and each staff person is responsible for keeping a timesheet that allows them to allocate their time to each grant. For example, a home visiting program that is funded with two funding streams might require that your staff person track time spent with Spanish speaking families and preparing Spanish language educational materials (Funding Stream A) and separately track time spent supporting other families and preparing other education materials (Funding Stream B). When an activity benefits both groups, such as organizing an event that brings all families together, the staff person might allocate one hour to one grant and one hour to the other.

This is programmatic braiding: the program staff make decisions on how to allocate funding by using their own time and effort reporting. In contrast, fiscal braiding would require that *program staff* report enough information on their activities for *fiscal staff* to allocate their hours, allowing flexibility in which funding streams are used and how quickly each funding stream is spent down. It also allows greater flexibility in how funding is utilized, such as contracting out for a service that cannot be provided in house.

The term braiding is used throughout this guide. Unless *programmatic* is in front of braiding, please assume we are referring to fiscal braiding.

CASE STUDY 1: A COMPREHENSIVE BRAIDED FUNDING MODEL²

Overview: In Franklin County, Community Resources (FCCR) is the single point of entry for children, youth, and adults in need of services. FCCR is co-located with other providers and has contracted service providers onsite and off-site to meet the needs of all their clients. FCCR provides a wide range of services, from home visits to group activities, helping to address child abuse and neglect issues, educational problems, employment needs, parenting skills, and general youth development.

Braiding Process: The services are funded by the following funding streams: Temporary Assistance for Needy Families, state general funds for child welfare and juvenile justice prevention, Promoting Safe and Stable Families, and the Social Services Block grant. The services are also paid for through a small number of competitive grants.

At a once-monthly community evaluation team, the Director of the FCCR facilitates a meeting where each case referred to the FCCR in the last month is reviewed and the group agrees on specific services and specific providers. Many of those providers are in the room, participating in the conversation, and make the commitment to follow-up with the client. Due to the range of funding streams utilized by the FCCR to pay for services, the only eligibility issue they check prior to assigning services is whether the client is part of a family with children under 18. When the client is not, they refer to self-pay services on a sliding scale.

After the services are provided, the providers submit a monthly invoice with a report on progress with the client. FCCR staff assess the client eligibility and services provided and identify which funding stream they believe should pay for the services. This information is sent to the county Department of Human Services. The Department reviews the invoices and makes a final determination of the funding stream that is the best fit. As needed, the fiscal staff at the Department will call the program staff at the FCCR to collect more information. After paying invoices, the Department provides the FCCR with updated spend-down numbers of the funding streams.

Why Does it Work? The process is dependent on a variety of factors that may or may not exist in your community. However, even if some of these factors are not present, a similar model may be successful. These factors include:

- A sufficient array of funding streams to allow for most individuals in their community to be eligible;
- A low median income in the county, resulting in more families eligible for TANF supportive services;
- Providers willing to participate in fee-for-services contract work without guaranteed caseloads; and
- Trust between the FCCR Director and the Human Services fiscal staff that no contract providers will be asked to provide a service that cannot be funded through the existing funding streams.

Replicating This Model:

Step 1: Identify the eligibility requirements across your funding streams and determine the full range of populations your collaborative can serve. The FCCR is able to ask a single question for their eligibility. This is not common, and you should expect to have multiple eligibility questions.

Step 2: Identify the providers willing to receive contracts for services as families are identified. This individualized approach benefits families, but can be challenging for contractors who expect steady income.

Step 3: Discuss your model with your funders and know what information you need to report for each funding stream. Brainstorm potential problems with the requirements and resolve with your funders.

Step 4: Develop the reporting format you will require from your contracted providers to ensure they report everything needed by your funders. Your providers won't know which funding stream is paying for their service, so they need to record the information needed for each and every funding stream.

² Although this example is from an actual program, the county and agency name are fictitious. This example is from Colorado.

CASE STUDY 2: A BRAIDED FUNDING MODEL FROM NEW YORK³

The Program Design: Families Services of Berkeley County provides services to families with children under five, including prenatal services. They have multiple locations and serve families with diverse backgrounds. The services include a mix of childcare and preschool programs, early intervention for learning and disabilities, healthy families, pre-natal services, and mental health services focused on infant attachment issues.

At the front door of the program, the families go through an assessment with a family service intake worker.

Each family is then referred to the appropriate services. They can include a mix of interventions for the parents (e.g. literacy services for the mother), interventions for the child (e.g. speech therapy) and childcare services (e.g. the Early Headstart Program).

The Fiscal Design: *This is a braided model.* In order to make it work, the front-door and back-door are aligned and tracking systems are in place. At the front-door, in addition to learning about a family's needs, the process includes learning about their eligibility for different services by assessing income, age of the child(ren), and family size. Based on need and eligibility, families are enrolled in different programs and services are delivered.

At the back-door, financial staff allocate the costs to support each family, drawing down funding from each program the family is enrolled through. Some staff are paid for by one program, but others are paid by allocating their time to different funding streams depending on the families they assist. This requires careful accounting including accounting on a case by case basis. This back door model allows them to offer a variety of services to each family.

The Opportunity: Families Services of Berkeley County is moving from utilizing complex spreadsheets to manage their accounting to using an integrated data program. With 30 different reporting requirements they need to meet, having a more sophisticated tracking system will streamline and improve their back-door.

Replicating This Model:

- Step 1: Identify the eligibility requirements across your funding streams and determine the full range of populations your organization can serve. Develop a “front-door” intake process that captures eligibility along with the service needs of the family.
- Step 2: Create a back-door model for your program, including developing ways of tracking staff time by family served. Pick which staff really need to be distributed across multiple funding streams and limit your detailed tracking to those staff members.
- Step 3: Develop a tracking system using the technology already available to you (including using the templates available with this guide) or invest in new systems to help manage the complexity.
- Step 4: With your new system, incorporate new funding streams when they become available, expanding the eligible populations you can serve, services you can provide, or even just the number of people you can serve.

CASE STUDY 3: PROGRAMMATIC BRAIDING IN NEW YORK³

The Program Design: Union County has brought together two programs under one roof – the Community Health Worker and Healthy Families programs (serving 350 families per year total). The staff are located in one office, sharing the expenses of the location. They are trained together and function as one cohesive team. Supervisors assist staff in either program as issues come up, but provide regular supervision only to staff in their own program.

³ Although this example is from an actual program, the county and agency name are fictitious. This example is from New York.

When participants are referred, they complete a screen and/or an assessment and are then assigned to one program or the other based on their needs. The Healthy Families program serves perinatal participants with regular home visiting for a longer period of time, and Community Health Workers can serve all women of childbearing age, and those who are at high risk or in need of case management services, which helps determine which program a family will be referred into.

Some services (e.g. pregnancy tests and lactation consults) are available through staff in one program, but not the other, sometimes because of staff training and other times because of the allowability of the expense. In those cases, the service is provided by staff in the program who are trained to provide the service regardless of who the participant is. This sharing of trained staff actually doubles the services available to participants, since staff in either program who are trained are able to assist participants as needed. For instance, a Community Health Worker might conduct a pregnancy test for a Healthy Families walk-in one day, and a Healthy Families Certified Lactation Consultant might do a consult for a Community Health Worker participant struggling with breastfeeding challenges. They do not, however, provide ongoing services to participants who are not in their own program.

The Fiscal Design: Each program is funded separately. The funding streams pay for the staff time and a pre-defined percentage of overhead costs based on the staffing paid for by each funding stream. Staff paid in one program (e.g. Healthy Families Program) are always paid for by that funding stream. Incoming families are assigned to one program or the other and then served by the staff of that program.

The Opportunity: Union County could switch from a programmatic braiding model (bringing two programs together through staff time available in each program) to a fiscal braiding model (bringing two funding streams together to pay for services delivered to families, regardless of staffing). If these two programs were braided, at the front-door, client intake would involve assessment for needs (as currently occurs) and eligibility for the two funding streams. From there, the client would be assigned to a staff person. If the services needed by the client went beyond the capacity of that staff person, additional staff would provide services as needed.

At the back-door, the financial staff would review the hours staff spent per client each month and make a decision how to allocate the client and the staff hours – that is, decide which funding stream is the best fit, not only for that client, but also to balance the spend-down of the two funding streams. From this front-door and back-door model, reporting to funders would continue to include concrete numbers, specific clients served and services provided, while freeing the program up to use the money more fluidly, responding to the client needs.

The Benefit: A fiscal braided model would create important flexibilities for the program:

- It would allow the program to be more flexible in the services available to families. Instead of offering a limited amount of a service that falls outside the program that enrolled the family, the services could be driven by family needs. This could even include being responsive to the unique needs of families through contracting for services or leveraging other staff in the agency.
- It would decrease the risk that a funder would question the use of staff time to serve clients outside the program (as occurs when a staff person's skills are needed to provide services to a client in the other program).
- It would allow the programs to be more sustainable, by making it easier to integrate new funding streams without creating a new program. It would also enable the program to more easily accept other shorter-term or smaller sources of funding, such as contracts to provide services to families referred from providers.
- Families initially identified as needing a short period of services would not need to switch providers if they needed more extensive interventions (currently only available through the HFP).

PART 2. HOW TO BLEND & BRAID

Planning for a blended or braided model is not just a fiscal process. Rather, it's a process of identifying what your community or clients need, what your funding can support, and what outcomes you want to achieve. Research on successful funding coordination suggests that you must begin with a clear vision of what you are trying to finance, engage in collaborative planning, understand your resources, create a strategy that maximizes those resources, focus on outcomes, engage families and consumers as leaders, and collect data to provide feedback on the strategies. In order to help you go through these steps, below is a five phase planning process. Accompanying the process are templates that can be accessed online at: <http://sparkpolicy.com/fiscalguides.htm>

This is a comprehensive planning process. If the braided or blended model you are developing is less complex, it may not need all of these components. Additionally, if you are exploring how to change a current program's fiscal model to a braided model, much of this work may already be done. You may be ready to skip right to Phase 3. However, we recommend you take the time to read through the Phases and select those activities that will help you design the best model possible.

PHASE 1: IDENTIFY YOUR VISION AND YOUR PARTNERS

It is easy to fall into the trap of designing programs to match funding. This phase is intended to avoid that pitfall and instead focus from the beginning on what you are trying to accomplish on behalf of children and families in your community. Before you start defining the policy, program, or system reform goal, decide who needs to be involved.

- | | | |
|-----------------------------------------------------------------------------------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>? Is this an internal model or a community-wide model? Which partners are needed?</p> | A | <ul style="list-style-type: none"> <input type="checkbox"/> Internal staff and families/clients we serve. <input type="checkbox"/> External partners, including other providers. <input type="checkbox"/> Leaders in our community including our funders. <input type="checkbox"/> Who else? |
| <p>? Who can help clarify the need and possible services? Who can help articulate the outcomes?</p> | A | <ul style="list-style-type: none"> <input type="checkbox"/> Direct service staff involved with the target population. <input type="checkbox"/> Families with relevant life experiences and needs. <input type="checkbox"/> Leaders with a personal commitment to the issue. <input type="checkbox"/> Who else? |
| <p>? What existing group has authority to make decisions about funding for policies, programs, or systems?</p> | A | <ul style="list-style-type: none"> <input type="checkbox"/> Mandated groups with authority and existing funding. <input type="checkbox"/> Voluntary planning groups with high levels of buy-in. <input type="checkbox"/> Groups with family involvement. <input type="checkbox"/> Who else? |
| <p>? What information do you need to design your model? Who has that information?</p> | A | <ul style="list-style-type: none"> <input type="checkbox"/> Groups with assessment data or skills to collect it <input type="checkbox"/> Staff with utilization numbers and fiscal information. <input type="checkbox"/> Staff with expertise in financing or specific funding streams. <input type="checkbox"/> Who else? |

Depending on the scope of your braiding/blending effort, you could have anything from a small planning group of internal staff and family leaders to a large community-wide collaborative with researchers, funders, providers, families, and other community members.

Engaging Families

One of the best reasons to engage families in braided or blended funding models is to ensure that your program or system is flexible and able to respond to the individualized needs of your consumers. Engaging the recipients of services in your planning process is critical. It will help you understand what your program or system needs to include to improve outcomes for your consumers. It will also help keep the focus on the ultimate benefit of the program, even if the conversation is, by necessity, about the funding.

Collaborating with Funders

Collaborative program development is almost the norm in this day and age of coalitions, planning groups, task forces, etc. However, collaboration with funders is still a new concept to many organizations and communities. To implement a successful blended or braided funding model, working closely with your funder is critical for three reasons:

1. *Avoid Pitfalls:* The last thing you want to do is design an amazing program utilizing multiple funding streams and meeting important community needs... and then have one of your funders tell you that you broke some requirement they have for accountability or expending their funds.
2. *Build Commitment:* Working closely with a funder also increases their investment in your program and builds their understanding of what your program needs to be successful. If you are transparent with your funder about the design of your program, you may be surprised at how transparent and flexible they will be to make sure their policies don't unnecessarily prevent your program from being a success.
3. *Preempt their "Supplanting" Fears:* Most public funding streams require that the funds are not used to supplant another funding source. Many funders look at blended and braided models and instead of seeing how you are leveraging funds, they will see a risk that you are replacing other funds with their funding. Bringing your funder into the conversation early is an important part of changing that perception. If the funder understands the scope of what you can accomplish utilizing multiple funding streams, and how that differs from what you can accomplish using their funding stream alone, some of the fears about supplanting can be diminished. However, you will also need to employ strategies like defining a case rate, keeping careful tracking of eligibility, and ensuring that accounting and budgeting are aligned, to alleviate your funders' fears of supplanting. By working with your funder early on, you will know what they need to feel confident in your model.

Working closely with your funder throughout your planning process not only ensures you won't accidentally plan something that is not appropriate, but also increases the likelihood the funder will want to work with you to ensure your program is a success.

This Guide is not intended to be a collaboration or general planning and engagement guide. For specific guidance on how to engage your partners, consider the following resources:

- ***Family and Youth Involvement Guide:*** A Workbook for Policy & Governance Boards and Planning Groups. The workbook includes an assessment tool to identify the current status and strengths of your board's family and youth involvement. Available at http://www.sparkpolicy.com/docs/fyiguide/Spark_FYI_Workbook.pdf

- **Igniting Change:** A website with regularly updated resources for a wide range of activities critical in transforming systems, including collaboration, community planning and engagement, and family and youth involvement. Available at: <http://sparkpolicy.com/ignitingchange/>

Are You Ready to Define Your Program?

Before you move on to designing your program, confirm that the following is true:

- We have our agency decision-makers or their representatives involved in our planning process.
- We have our funders involved in our planning process at the appropriate level, creating opportunities for them to learn about our approach and support it.
- We have our community and consumers involved in our planning process, ensuring our program will align with their needs and expectations.
- We have both buy-in and involvement from staff with fiscal expertise that will be responsible for implementing the coordinated financing model.

PHASE 2: DEFINE YOUR PROGRAM

Prior to developing your funding model, you and your partners must identify what you hope to accomplish by blending and braiding funding. Fiscal coordination strategies are only a *means to an end*, and to be successful, the end needs to be well defined. The end may be a specific set of services, a specific population and a strategy for how to identify and meet service needs, or even a design for a system that serves a broad population through collaboration across many providers and many types of service needs. Regardless of the scope of your goals, you need to clearly define them and outline what you will be funding.

- | | | | |
|---|-----------------------------------------------------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ? | What population do we need to serve? | A | <ul style="list-style-type: none"> <input type="checkbox"/> Demographics of the population (age, income, race/ethnicity). <input type="checkbox"/> Needs of the population (health, mental health, housing, etc.). <input type="checkbox"/> Strengths/protective factors of the population. <input type="checkbox"/> Other resources/systems likely to be serving the population. |
| ? | What does the “Front Door” of our program look like? | A | <ul style="list-style-type: none"> <input type="checkbox"/> Strategy for accessing the population (marketing, referrals, etc.). <input type="checkbox"/> Assessment/screening tools that will be used. <input type="checkbox"/> Staff responsible for the intake process. <input type="checkbox"/> Other elements of the intake process. |
| ? | What are the services or interventions that are part of our program? | A | <ul style="list-style-type: none"> <input type="checkbox"/> Services we will provide, including case management. <input type="checkbox"/> Services we will refer out. <input type="checkbox"/> Services we will purchase. <input type="checkbox"/> Priority of services we’re planning – which ones must be provided, which ones are preferred, but not critical. <input type="checkbox"/> Length of services we expect to provide on average. <input type="checkbox"/> Evidence-base of the services we’re planning. |
| ? | What will our services accomplish and how will we know? | A | <ul style="list-style-type: none"> <input type="checkbox"/> Desired outcomes from the services. <input type="checkbox"/> Plan for monitoring, evaluation, and quality assurance. |

?	Where are we delivering the services?	A	<input type="checkbox"/> Whether home-based services will be included. <input type="checkbox"/> Whether school-based services will be included. <input type="checkbox"/> Other locations where services will be provided. <input type="checkbox"/> Staff and client transportation needs to access services sites.
?	Who will deliver the services?	A	<input type="checkbox"/> Qualifications of providers who will implement services. <input type="checkbox"/> Number of providers needed to implement the array of services. <input type="checkbox"/> Qualifications of supervisors.
?	What infrastructure is needed to support the program?	A	<input type="checkbox"/> Indirect expenses (phones, supplies, physical space, etc.). <input type="checkbox"/> Daily direct expenses (staff, equipment, transportation, etc.). <input type="checkbox"/> Other direct expenses (supervision, training, evaluation, etc.).

Many of these questions should sound familiar – they are common in grant writing. However, they are less common as part of a planning process for how to use long-term funding streams most effectively, which is exactly when this level of planning is most important.

As you answer these questions and clearly define your program, make sure you are obtaining consensus among all of your key partners. Does the program design match what your family and consumer leaders identify as necessary? Does the program design align with the best-practices in service delivery? Have you integrated evaluation into the program design, so you can improve the program over time?

Are You Ready to Explore Financing Options?

Before you move on to assessing your resources, confirm that the following is true:

- Our program/system design is clearly defined, with all questions answered in detail.
- The Executive Decision Maker of our agency and all the agencies involved with our program/system support our vision, goal, and program design.
- We have consensus on the program vision, goal, and design from our key partners, internal and external, including the staff who will implement the program and the family, and consumer leaders involved in designing it.

PHASE 3: EXPLORE YOUR FINANCING OPTIONS

Regardless of whether you are designing a new program/system or changing the financial practices associated with an existing program, it is critical to take the time to analyze your financing options. From the previous phases, you should now have a clear understanding of what needs to be funded, which will guide which funding streams you consider as you explore your financing options.

Identifying Funding Streams

The first step in this phase is to list the funding streams that you believe might help you serve this population. Some of these will be in your organization already, while others will be external funding streams that organizations in your community or at the state level already access and might be willing to contribute to your program/system.

- | | | | |
|---|--------------------------------------------------------------------------------------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ? | What are the internal funding streams already available to your system? | A | <input type="checkbox"/> Appropriate for the client/consumer population.
<input type="checkbox"/> Appropriate for the service needs identified.
<input type="checkbox"/> Appropriate for the providers identified to deliver services. |
| ? | What funding streams already support this population or these services? (include federal, state, and local) | A | <input type="checkbox"/> Funding streams at other agencies in your community.
<input type="checkbox"/> Funding streams available at the state level, but not currently in your community.
<input type="checkbox"/> Funding streams available at the federal level, but not currently in your community. |
| ? | What non-public funding streams could serve as match? | A | <input type="checkbox"/> Private sector funding streams, such as local foundations or corporate giving programs, in your community.
<input type="checkbox"/> Fee-for-service models appropriate for your population, services, and service delivery providers. |

If you already have funding streams in mind, begin with those. Make sure to explore whether Medicaid is a potential funding stream for your program/system, as it is not a capped funding stream, but rather is limited based on services and eligibility. When it is an appropriate funding source, it can be a key component of ensuring long-term, sustainable funding.

Analyzing Funding Streams

Once you have a set of funding streams to consider, it is time to analyze those funding streams and compare them to the needs of your program/system. For each funding stream that appears to be a good fit for the population you want to serve, the services you want to provide, and the service delivery providers you are working with, you will want to analyze it carefully to find out what parts of your program it can cover.

Analyzing funding streams can be intimidating! Most funding streams have detailed information available at the agencies that oversee the funding, but it is not always the most accessible information. You may want to undertake a mix of the following activities to collect sufficient information about the funding streams:

- Meet with your fiscal staff to collect and discuss any documentation they have received from your current funders regarding allowable expenses, documentation of expenses, and reporting requirements.
- Download fiscal guidance from funders' websites, including such things as State Plans (which often outline eligible services and populations), rules and regulations, statutes, and agency letters.
- Call your funders and ask questions to better understand the funding streams. Take the time to do a little background research first though!
- Talk to community partners currently funded through the funding streams of interest to you. Ask for documentation they have received from their funders.

With funding streams you already use in your agency (or agencies involved in your planning process), you will want to capture information not only about what the funding stream can be used for, but also what it is already used for. Find out the number of target population served historically (i.e. last two fiscal years) by the funding stream, what services were provided, and what it cost per person or service. Find out if you have any waivers or

other special permissions from your funder for how you currently use the funding. You may also want to review the reporting you have done to the funder in the past, to understand their expectations.

With funding streams you don't use in your agency, you will want to make sure there is a reasonable chance the funding can be made accessible to the program/system you are seeking to fund. Is there a competitive process to release funds to community providers? Do you have an existing relationship with the funder or local partner who manages the funding? Is your program/system meeting a core function of the funding stream? Is the funding available based on population and services provided (e.g. Medicaid funding)? If you believe you can access the funding stream, it is worth analyzing what portion of your program it can fund.

In order to analyze the information you collect on your existing and potential funding streams, you need a way to capture all of that information. This will be your analysis tool. To create your analysis tool, use [Template A:](#)

[Analyzing Your Funding Streams.](#) Template A is designed to allow you to take your answers to the questions asked in Phase II and make an analysis tool that can help you vet each funding stream against the design of your program.

For the remainder of the Phases, we will be using an example program called *Safe Homes*. *Safe Homes* provides services to families with young children and pregnant women to prevent and respond to homelessness. In the example below, the program went through the questions in Phase II and came up with the following answers (please note – this example only goes through the first few questions):

- | | | |
|--------------------------------------------------------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>? What population do we need to serve?</p> | A | <ul style="list-style-type: none"> <input type="checkbox"/> Pregnant women <input type="checkbox"/> Families with children under 5 years of age <input type="checkbox"/> Families and pregnant women at risk of losing their housing. <input type="checkbox"/> Families and pregnant women already homeless <input type="checkbox"/> Most of our population will be from low income families <input type="checkbox"/> Some of the pregnant women will be runaway youth whose families will be unknown |
| <p>? What does the "Front Door" of our program look like?</p> | A | <ul style="list-style-type: none"> <input type="checkbox"/> Families and pregnant women will be referred by community partners. <input type="checkbox"/> We will use a customized intake tool aligned with our funding requirements across all funding streams <input type="checkbox"/> We will use a parenting skills assessment tool <input type="checkbox"/> Our intake staff are the same as our case management staff and will be LCSWs with entry level experience or more |
| <p>? What are the services or interventions that are part of our program?</p> | A | <ul style="list-style-type: none"> <input type="checkbox"/> Provide case management services to all our clients <input type="checkbox"/> Provide one-on-one mentoring and parenting services <input type="checkbox"/> Provide short-term financial assistance to maintain housing for clients at risk of losing housing (rent, home repairs, mortgage payments) <input type="checkbox"/> Purchase shelter services or vouchers for hotels for homeless clients <input type="checkbox"/> Refer to research-based skill building and job placement services <input type="checkbox"/> Refer to research-based health, mental health, and substance abuse services <input type="checkbox"/> Run a family leadership group to advise the program's design <input type="checkbox"/> Provide services for up to 18 months, but financial assistance will be limited to 6 months during that period |

Using these questions and answers, *Safe Homes* updated [Template A: Analyzing Your Funding Streams](#) to match the specifics of their program and analyzed their two primary funding streams.

	Funding Stream 1	Funding Stream 2
What population do we need to serve?		
Pregnant women	Eligible if they are low income.	All women who meet need requirements (see below) are eligible.
Families with children under 5 years of age	Eligible if they are low income.	All families who meet need requirements (see below) are eligible.
At risk of losing their housing	Yes, provided being homeless is leading to risks related to self-sufficiency, out-of-wedlock pregnancy, or keeping a two-parent family together.	Not eligible, must be homeless.
Pregnant women and families already homeless	Yes, provided being homeless is leading to risks related to self-sufficiency, out-of-wedlock pregnancy, or keeping a two-parent family together.	Eligible.
In low income families and pregnant women	All clients must either make less than \$75,000 per year or be in a family making less than \$75,000 per year.	Income is not a factor.
Pregnant youth who have run away from home	If the pregnant youth who is a runaway is under 19, they are not eligible without knowing family income.	Runaway status is not a factor.
What does the “Front Door” of our program look like?		
Referred by community partners	No requirements on referrals.	No requirements on referral.
Customized intake tool	Eligibility information is the only required intake information.	Mandatory data entry into online system for intake information. Will need to include all data fields on our intake form.
Parenting skills assessment	No required assessment tools.	No required assessment tools.
Intake staff are LCSWs with entry level experience or more	No requirements on staff qualified to deliver services.	Requires staff to be licensed clinical social workers (LCSWs) with experience working with families with young children.
What are the services or interventions that are part of our program?		
Case management services	Yes, can fund staff engaged in a variety of programmatic activities, including case management.	Yes, staff time directly related to services only.
One-on-one mentoring and parenting services	Yes, can fund these services through staff or contract.	Yes, can fund these services through staff or contract.

	Funding Stream 1	Funding Stream 2
Short-term financial assistance to maintain current housing (rent, home repairs, mortgage payments)	Yes, but limited to four months.	No, not allowed.
Purchase shelter services or vouchers for hotels for homeless clients	Yes, but limited to four months. Either hotel or shelter services.	Yes, but requires a formal shelter (hotel vouchers are not permissible). Not time limited.
Refer to research-based skill building and job placement services	Yes, through case management staff. Can pay for incentives to participate.	Yes, through case management staff.
Refer to research-based health, mental health, and substance abuse services	Yes, through case management staff. Can pay for incentives to participate.	Yes, through case management staff.
Run a family leadership group to advise on the program’s design	Yes, can fund FTE engaged in a variety of programmatic activities, including family leadership group. Can also pay for stipends.	Cannot pay for staff time. Can pay for stipends.
Services for up to 18 months, but financial assistance will be limited to 6 months during that period	Limits financial services to four months or less. No time limit for other services.	Yes, but requires a formal shelter (hotel vouchers are not permissible). Not time limited.

In addition to questions specific to the program design, [*Template A: Analyzing Your Funding Streams*](#) includes questions about the timeframe for funding, the availability of no-cost extensions, and other funding stream specific information that will help you as you assess whether you can implement your program with the identified funding streams.

Explore the Gaps in Funding

After completing your analysis of each of your potential funding sources, the next step is to explore the larger pattern created by the allowable and non-allowable costs with each funding stream. To identify the gaps in your funding stream, use [*Template B: Analyzing Your Gaps*](#). You will need to populate the template with details about your population and their service needs.

Below is an example of the *Safe Homes* gaps analysis using its two funding streams. Template B, as with Template A, will need to have its row headers filled out by you, based on the possible gaps you can observe when looking at your funding streams. As you fill them out, break down each issue into detailed pieces to make sure you will have the most comprehensive view possible.

For example, in Template A, the *Safe Homes* example had a row that had eligibility defined as families with children under 5 years of age. It has another row defined as low-income families and another row defined as homeless. The notes in Template A show that none of the funding stream can fund all families with children under age five and pregnant women due to limitations related to having children, being low-income, or being homeless. For this reason, the gaps analysis will need separate lines that define each subpopulation, as shown in the example below.

	Funding Stream 1	Funding Stream 2
What population do we need to serve?		
Family with children under 5, at risk of losing housing, low-income	X	
Family with children under 5, at risk of losing housing, non-low income		
Family with children under 5, homeless, low-income	X	X
Family with children under 5, homeless, non-low income		X
Pregnant woman, at risk of losing housing, low-income	X	
Pregnant woman, at risk of losing housing, non-low-income		
Pregnant youth, runaway, at risk of losing housing, family income unknown		
Pregnant woman, homeless, low-income	X	X
Pregnant woman, homeless, non-low-income		X
Pregnant youth, runaway, homeless, family income unknown		X
What are the services or interventions that are part of our program?		
Case management services	X	X
One-on-one mentoring and parenting services	X	X
Four months of rental assistance	X	
Four months of mortgage payments	X	
Four months of home repairs	X	
Purchase shelter services for homeless clients	X	X
Provide vouchers for hotels for homeless clients	X	
Refer to services (placement, employment, health, mental health, substance abuse)	X	X
Provide incentives to clients to participate in referred services	X	
Staff a family leadership group to advise in the program's design	X	
Provide stipends for participation in a family leadership group	X	X

By taking the information entered into Template A, translating it to a grid in the Gaps Template B, you will understand what populations, services, etc. are possible using the funding streams you have identified. You may realize that you cannot fund some expenses from any of the funding streams you have identified. If the expenses are not in your list of priority services and supports, this is the time to decide you will not provide these services or make the decision to continue to seek funding that can support them.

At this point, the example program will need to decide on its priorities. In the *Safe Homes* example, there are serious gaps in eligibility for services when you compare the population originally envisioned during Phase II with the populations the funding streams can serve. Funding Stream 1 has more restrictive eligibility in terms of income, which eliminates services to families not meeting the income requirements (though one can assume most families needing the services would meet the requirement). However, it also eliminates services to pregnant youth whose family income is unknown due to runaway status. Though it is more restrictive in eligibility, it has many more services it can pay for, including all of the long-term housing options. It can also pay for services to prevent homelessness. It can only pay for many of the services for four months, while the program design was focused on six months of financial assistance. This limitation suggests the program design may need to be adapted.

Funding Stream 2 limits its eligibility to those families already homeless and limits its services to emergency shelter, mentoring, parenting services, and case management, instead of services to move families into long-term housing. However, it will allow for emergency services for as long as the family needs them. Across these two funding streams, pregnant youth whose family incomes are unknown are the least likely to have their needs met.

Overall, this means that with the current funding streams, *Safe Homes* can provide services to any family or pregnant woman who is homeless, but they are more limited in their ability to provide prevention services. Additionally, the funding stream that allows them to serve all homeless families and pregnant women cannot pay for many of the services they planned for their program that are more preventive in nature. After learning of these issues during the gaps analysis, the *Safe Homes* planning group needs to decide (1) should they identify additional funding streams; (2) should they redefine their program scope; or (3) some combination of the two. This is a great example of where foundation, corporation, or relatively flexible public grant programs would be needed to fill in the gaps.

You are likely to find yourself engaging in an iterative process of selecting and analyzing funding streams, exploring gaps, assessing changes to your program design, and deciding to identify new funding streams and redoing the process of analyzing and gap finding. After you have reached the point where you are satisfied that you know your funding streams AND have adapted your program design as necessary to fund the full program realistically with the funding streams available, you are ready to move to developing a Coordinated Financing Plan.

Are You Ready to Develop Your Coordinated Financing Plan?

Before you move on to designing your program, confirm the following is true:

- We have decided on our set of funding streams.
- We have a clear understanding of what each funding stream can fund, including eligible populations and allowable expenses.
- Our program design is redefined to be realistic and align with the available funding. These changes were made in partnership with all our stakeholders involved in the planning process.
- Our fiscal staff (and ideally our funders) agree on our analysis of funding streams, either because they conducted it or they reviewed our work.

PHASE 4: DEVELOP YOUR COORDINATED FINANCING PLAN

Phase 4 consists of developing seven key components that come together in one document, your Coordinated Financing Plan. That document is your guide to implement the blended or braided model.

Your Coordinated Financing Plan can serve multiple purposes. It can be a tool for talking with your funders so they can clearly understand the design of your braided system. It can help your programmatic staff, your fiscal staff, and your board understand how and why each decision is being made. It can increase everyone's confidence that funding is being used appropriately, including that blending or braiding multiple funding streams will not result in supplanting. Walking through Template C will help you address all of the remaining sections in this Phase.

To develop your financing plan, you will go through a process of documenting your overall approach. The documentation will include development of key materials that will be used by your staff regularly and key protocols that will be a core part of how you implement your blended or braided model. These include the actual documented process for how all the pieces fit together, which is outlined in [Template C: Your Coordinated Financing Plan](#), along with:

- **Program Budget:** Your program budget, based on the revised design developed during the previous phase.
- **Cost Allocation:** Your cost allocation is a budgeting and accounting tool, to be used throughout the implementation of your program.

- **Front Door and Back Door Protocols:** Your documented process from the Front Door through the Back Door, including decision-making points, who has the authority to make decisions, information used at each point, and outcomes of the process.
- **Tracking and Reporting:** Your tracking and reporting materials to be used during service delivery, including intake, ongoing services, and exit. These will include forms filled out by and with clients, forms filled out by providers, and timesheets for providers.
- **Financial Systems:** Your financial practices and systems must be aligned with your blended or braided approach. Sometimes, this will require little additional work, but other times you may need to set up segregated funding or other special systems.
- **Contracting:** If you are paying for services outside of your agency, your contracting process can be a critical component of your overall blended or braided funding design.
- **Quality Control and Staff Training:** To successfully implement your new model, you will need to train and provide ongoing technical assistance to key staff.

Program Budget

Create a budget in the usual line items/categories, based on the expenses for the program you are now planning to implement. Feel free to use whatever format you typically use, or use the Estimated Budget worksheet in the [Template D: Budget & Cost Allocation](#). At this point, don't worry about which funding stream pays for which service, but do limit what you include in your budget and program to those things at least one of your funding streams can pay for. To do this, design a realistic budget tied to your finalized program design.

Make sure to document any decisions you made about the budget in Template D as you develop the Coordinated Financing Plan. For example, if you are basing the budget on the assumption that you can serve 50 families in need, explain why 50 is the appropriate number.



What expense categories do we need to pay for our program?



- Personnel, contractors, and other "time" spent on services and supports.
- Supplies, equipment, travel, and other direct costs that support activities we will undertake.
- Stipends, incentives, meals, and other benefits to our clients that will come from program participation.
- Purchased services from our community partners, at whatever case or service rate they quote.
- Purchase or in-house evaluation and quality improvement services.
- Indirect costs (rent, phones, internet, etc.).



How many clients do we plan to serve per year?



- Level of need in your community – how many clients are likely to be available to serve?
- Level of connections with community providers – how many clients will know about your service?
- Level of capacity in your agency – what is the maximum number of clients can you serve?



How much do we need in each category to serve that many clients per year?



- What will it cost to provide the services we have outlined in our program design for the number of clients we estimate?
- How many clients will require all services?
- How many clients will drop out of services prematurely?
- What will it cost to sustain our non-service delivery activities, such as evaluation, advisory groups, etc.?

Prior to finalizing your budget, review it with key stakeholders and discuss whether any expenses are missing from it. This process should feel familiar – it is the same process used to develop any grant or program budget.

Cost Allocation

The third step in creating your coordinated financing plan is to create your cost allocation plan. This is the tool that will bring your budget to life and turn it into a braided or blended model.

Start your cost allocation plan by deciding whether you will be blending or braiding funding streams to support your program. Carefully review Part 1 of this guide alongside the information you gathered on the requirements of each of your funding streams in order to decide.

- If you are blending your funding, the cost allocation plan is a static budget that you can set in advance. Your priority will be to make sure you track sufficient information on eligibility and outcomes to report back to your funders.
- If you are braiding your funding, the cost allocation plan is a flexible budget and accounting tool that tracks spend down across your funding streams. To create it, use [Template D: Budget & Cost Allocation](#).

Cost allocation plans in a non-braiding model will often be treated as a series of grant budgets with pre-defined monthly expenses in pre-defined categories of spending. Cost allocation plans in a braiding context are living documents that begin with estimations, but help you keep track of how you can flexibly allocate resources to meet monthly needs, based on eligible populations and services. In essence, the cost allocation plan provides you with upfront information to ensure you can cover all your expenses across all your funding streams and ongoing information on the progress of spending down your funding streams.

In order to design your cost allocation plan, use [Template D: Budget & Cost Allocation](#). Template D is designed to have a summary page that helps you keep track of spend-down across all your funding streams and a cost allocation page for each of your funding streams. Most likely, this template will need to be adapted to better fit your program – **as you adapt the Template, please make sure to double check all formulas!**

Template D is only a tool. It is not your process for allocating costs, but rather your tool for tracking how you have allocated your costs as you implement your program. As you create it, make sure you pay close attention to your analysis of your funding streams. If one funding stream can pay for stipends and another cannot, ensure that you are including the line item for stipends only under the budget for the funding stream that allows it.

Front Door Decision Points

At the Front Door, you will be identifying how eligibility and allowability are determined.

- Eligibility refers to the clients who will be eligible for some or all of the services provided by your blended or braided model.
- Allowability refers to the services that each client will be allowed to receive, based on their eligibility.

Although in an ideal model, all clients could access the same services, for many blended or braided programs, some clients may not be able to access all of the services available. For example, you may only be able to provide medical services to those clients eligible for Medicaid, while case management and other supportive services could be provided to all of your clients.

At your Front Door, you will want to clearly determine eligibility and allowability prior to any other actions being taken. You will want to define:

- Who is responsible for determining eligibility? In other words, who has the tools and authority to decide a client should be accepted in your program?
- Who is responsible for determining allowability? In other words, who has the tools and authority to decide which services are options for a new client in your program?
- What is the protocol for turning clients away? In other words, what referrals or other supports can you offer as you reject a client who does not meet your criteria for eligibility?

You will want to create an easy to use document that your Front Door can include as part of their intake process. This should include questions to clarify eligibility and to make sure that any allowability issues are known. For example, the Eligibility and Allowability document might include a set of questions related to the client's age, needs, income, and family. At the bottom of the document could be a decision-tree to help the provider determine (1) is the client eligible for any services; and (2) what services are allowable.

As part of your Front Door, you will also want to develop a process and place that the eligibility and resulting allowability are clearly documented after the intake. For example, a case file might include a quick summary of both, such as:

- Client is eligible due to pregnancy and entering services while homeless. Income is not known.
- Client may receive shelter, case management, mentoring, and parenting services.
- Client may not receive incentives for participation in referral services.

This will remind the service providers to update the eligibility and allowable services if the situation changes, such as learning the family income.

Back Door Decision Points

At the Back Door, you will be identifying how allocation of costs to funding streams will be determined. The Back Door is responsible for making sure that all allowable services are paid for by appropriate funding streams, with appropriate services as defined by the eligibility of clients and allowability of services. Additionally, the Back Door is responsible for maintaining appropriate spend-down across the funding streams, using a protocol designed to guide them.

The protocol should help the Back Door staff understand which funding streams to use first. For example, a protocol might tell staff to:

- Spend down Funding Stream A and Funding Stream B relatively evenly.
- Spend Funding Stream C whenever possible.
- Spend Funding Stream D only when no other funding is appropriate.

To determine the protocol, you will want to consider the following types of issues that each funding stream may have. The information you need to answer these questions will come from the Financing Analysis you completed as part of Phase 3.



Which funding streams need to be spent down steadily?



- Large funding streams accounting for a significant portion of your budget.
- Use it or lose it funding streams (where a no-cost extension is not an option).
- Funding streams that allow a percentage of administrative/indirect costs, as you may need to also show direct costs.



Which funding streams should be used whenever possible?



- Highly restrictive funding streams that may be hard to spend down fully due to limited eligibility or allowability.
- Funding streams with no cap, such as entitlement programs, allowing you to spend as much as needed.
- Funding streams with earlier end-dates than most of your other funding streams.
- Funding streams with a longer length of service allowable.



Which funding stream should be used as a last resort?



- Highly flexible funding streams, particularly those that account for a small portion of your budget.
- Funding streams that mandate that they are the payer of last resort.

In general, you will want to use the least restrictive funding streams last, as it is better to finish up the last two months of your year with a highly flexible funding stream than a funding stream that can only fund small parts of your program. Also in general, you want to be able to report steady progress in spending your funding to most funders – your funder wants to know how critical their funding is to your services! This does not mean you have the same expenses, the same number of clients, or the same amount of spend-down every month though. Rather, it means you use it where it can best support your program, steadily and flexibility. In general, take care not to ignore a funding stream for multiple months – this may cause you to lose the funding stream due to a perceived lack of need.

After developing a protocol for general spend-down, you will want to make sure you have a summarized document that clarifies the eligible populations and allowable costs for each funding stream. This is the tool your fiscal staff can use as they make decisions on what to allocate. It should match your Cost Allocation tool and be based on your Financing Analysis.

Tracking and Reporting

Your Back Door will be responsible for ensuring all of the information required by funders is submitted by all of the required deadlines. Make sure you are aware of all reporting requirements and create a calendar of deadlines. Some funders will have multiple types of reporting, such as monthly invoicing, monthly data entry into their case management system, and quarterly outcome reports. Document all of these requirements.

Next, document all of the information needed for each report. Create a chart to determine what information your program staff will need to capture on each client in order for the Back Door to report to all of the potential funders of that client.

Many funders have databases they require you to utilize, which can be challenging in a blended or braided program when programmatic staff are unaware of which funding stream their clients will be paid for through. The

Back Door may need to take on the responsibility of taking the information reported by program staff and entering it into required databases.

One of the critical components to a successful braided model, particularly a model that includes funding streams that fall under the federal OMB Circular A-87 or OMB Circular A-122 (see Appendix A), is to track personnel time by eligible populations/allowable services. To ensure the Back Door has enough information to allocate staff time to appropriate funding streams, all of the staff paid for through the braided model should keep time sheets that indicate the case ID of the client served and time spent on that client. If a staff person engages in non-service delivery activities, the staff person should also have a place on their timesheet for the major categories of activities, defined by what is allowable across the funding streams.

With the *Safe Homes* example program that has been used throughout this guide, the staff would need to have timesheets by client ID and by whether or not they were engaged in supporting the Family Leadership Team. This is necessary due to Funding Stream B's limitation that only staff time involved in case management and direct services is allowable.

Financial Systems

Your Coordinated Financing Plan will also cover the financial systems that will be used to meet funder requirements. If any of your funding streams require segregated accounting, this is where you can describe and plan for how that will be undertaken. You can also use this part of your plan to document how you will maintain the data needed to respond to your funders audit requirements. Often, the requirements for what must be documented and available during an audit are far more extensive than the requirements associated with monthly or quarterly reporting. If you have not yet reached out to the fiscal staff with each of your funding streams, now is a time to do it. Ask them what they will want to see when they visit your program.

Contracting

You may have contracts that are needed with providers outside your agency. You will want to define the contents of those contracts and how the reporting associated with invoicing will match the requirements of your many funding streams. Make sure your contracts include any required language by your various funders. Hopefully, your funders will allow you to have one contract with each provider that covers all funding streams. However, some funders will expect you to have funding stream specific contracts with your service providers. In this case, you will need to be thoughtful about how you define the total amount of funding in each contract, as you do not want to limit your flexibility in your braiding model.

This guide does not cover general principles of good contracts, nor does it address specific requirements of your funders as relates to contracts. Take the time to work with your funders and fiscal staff to design contracts that are appropriate and meet all the legal and regulatory requirements associated with your funding streams.

You can document the reimbursement strategies for your contractors as part of your Coordinated Financing Plan. Some options include:¹

- Pre-approved provider lists with no guarantees of usage. This is the most flexible option for you, but can be hard on small specialty providers.
- Fixed price contracts that predefine how many clients or services will be purchased. This requires that you track how many clients or services have been purchased at any given time. It also makes assumptions about your clients' needs that may or may not be true. However, it is often preferred by your contractors because it guarantees them a steady income.

- Capitated or case rate contracts. This type of contract puts more risk on your contractors, as they will be expected to accept any clients you refer for pre-defined rates per client or pre-defined total amount regardless of the number of clients. It can allow for greater flexibility for your agency. It is best to use this type of contract strategy when the needs of your clients are well known.
- Performance-based contracts. This can be incorporated into any of the above strategies.

Quality Control and Staff Training

You will want to include a plan for monitoring the appropriateness of decisions being made, as well as a plan for training staff on the procedures and providing technical assistance in response to questions. It is important to plan for how time-sensitive issues will be addressed, such as questions about eligibility when a client is going through an intake process at the Front Door.

Are You Ready to Implement?

Before you move on to designing your program, confirm the following is true:

- We have a program budget that is realistic for serving the number of clients we plan to serve.
- Our program budget fully addresses non programmatic expenses, such as indirect costs (“Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective...”²) and evaluation/quality control.
- We have a cost allocation plan in place to help us spend-down our funding appropriately.
- We have carefully defined the decision-points and tools for the Front Door and Back Door.
- We have the appropriate financial systems in place, including contracts.
- Our staff are trained on how to implement the tools and they know who to ask for help.

PHASE 5: IMPLEMENT, TRACK, AND IMPROVE

The final stage of developing your blending or braiding process is to implement. Throughout the process of developing your plan, we have emphasized the importance of engaging your funders and your community, family, and consumer stakeholders in the process. This remains true during implementation. Although the model is now designed, it will not be static. As your funding streams change or funding requirements change, you will need your stakeholders to help you modify your program.

Take time to collect feedback from your staff and clients on their experience of the process such as:

- Is it seamless and invisible to clients?
- Do Front Door staff have the level of decision-making they need to expedite access to services?
- Do Back Door staff have enough information from the program staff to make good decisions regarding allocation of funds?
- Do your funders feel confident that you are spending their money appropriately and achieving good outcomes?

Use this information on an ongoing basis to improve program quality by identifying strengths and challenges, and making any necessary adjustments.

Plan to revisit your Coordinated Financing Plan at least yearly, and as funding streams change. Make sure someone is responsible for taking new information from funders and incorporating it into the plan. As needed, making

changes, such as redoing your fiscal analysis for a funding stream to ensure it is being used appropriately even after it changes its rules, or updating your eligibility and allowability documentation when you secure a new funding stream.

CONCLUSION

Blending and braiding are terms that are often used, but rarely defined and explained in detail. The lack of detailed information is undoubtedly because there is no single model for blending or for braiding, and each model must be customized to the community it exists within. The tools in this guide are intended to help your community think through some of the critical questions involved in developing successful blending and braiding strategies. The tools are also intended to decrease some of the fear and uncertainty that often accompanies fiscal conversations. Most importantly, the tools are intended to tie together the fiscal work with the vision and programmatic design that will best meet the needs of your community and clients.

As you design and implement your fiscal coordination model, we recommend engaging all of your stakeholders in every stage, including your staff, your leaders, and your funders as well as the community, families, and consumers you serve. We also recommend paying careful attention to the quality of the services you provide by prioritizing quality improvement, evaluation, and research-based practices. Any blended or braided model is only as good as the quality of the program it funds and the alignment of that program with the needs of the community and clients it serves!

Request for Feedback: This guide is intended as a practical, hands-on resource for blending and braiding. Please take a moment to provide feedback, including requests for additional guidance or information, at <http://sparkpolicy.com/fiscalguides.htm>

APPENDIX A: OMB CIRCULARS A-87 AND A-122

As communities begin their planning efforts to blend and/or braid dollars, it is important to understand the different federal financial management requirements and the impact that they can have on how federal funds can be shared. These requirements are contained in several documents issued by the Office of Management and Budget (OMB). They cover 1) uniform administrative requirements; 2) cost principles; and 3) audits. Below is a summary of A-87 and A-122, key documents that can drive many of the blending and braiding options available to your agency.

Please note: The information below is neither legal nor accounting advice, but rather educational information. We highly recommend you contact your fiscal staff and accountants as well as your funding stream's program and fiscal managers to gather more information about what you need to do for compliance with OMB Circular A-87 and other relevant OMB Circulars.

UNIFORM ADMINISTRATIVE REQUIREMENTS

There are two primary OMB Circulars that set forth principles on allowability of costs and allocation of those costs under federal awards. OMB Circular A-87 governs state and local governments and any sub-awards made by them to other entities with limited exceptions. OMB Circular A-122 governs non-profits and any sub-awards made by them⁴. OMB Circular A-87's stated purpose is "to provide a uniform approach for determining costs and to promote effective program delivery, efficiency, and better relationships between governmental units and the Federal Government"³. OMB Circular A-122 has a similar purpose as well. However, it is specific to non-profits and does have additional information that is critical for you to understand.

Generally, in order for a cost to be allowable, it must meet the following, among other requirements, set forth in A-87:

- Necessary and reasonable;
- Authorized (not prohibited);⁴
- Allocable to a program;
- Adequately documented;
- Not duplicated (i.e., not charged to any other program); and
- Comply with federal rules and requirements⁵.

Of particular importance to blending and braiding strategies is the ability to identify, allocate and document costs to specific funding streams. Cost allocation can therefore be challenging when multiple funding streams are jointly supporting service delivery. For example, where staff positions are supported by different funding streams based on the eligibility of the clients served, their salaries and wages must be distributed to the streams supported by personnel activity reports (often called time and effort reporting) unless an alternative method has been approved. However, time and effort reporting often does not work well in these situations because it assumes that staff activities are discrete and can be identified as allocable to a single funding stream; it can also be unduly burdensome by taking away time spent on service delivery.⁶ States and communities, however, can seek approval

⁴ Please note if a government agency makes a sub-award to a non-profit organization, A-87 applies to the government entity and A-122 applies to the non-profit.

from the appropriate Federal agency for a substitute system, such as random sampling or case counts, to satisfy the requirements of OMB Circular A-87.⁷

Another area to explore when braiding or blending funds is the use of cost allocation plans where multiple agencies and departments benefit from centralized services and/or administrative costs. There are three types of cost allocation plans. They are:

- Public Assistance Cost Allocation Plan submitted by states covering the administrative costs of all programs administered or supervised by the State public assistance agencies, including Temporary Assistance to Needy Families (TANF), Medicaid, Food Stamps, Child Support Enforcement, Adoption Assistance and Foster Care, and Social Services Block Grant under Attachment D;
- Indirect Cost Rate Proposals that establish an indirect cost rate under Attachment E ⁸; and
- Central Service Cost Allocation Plan under Attachment C.

Central Service Cost Allocation Plans refers to those state and local-wide plans that document, identify, and allocate or develop billing rates for the costs of centralized services provided by a governmental unit to its departments and agencies.⁹ Examples of centralized services are computer centers, purchasing, transportation, and accounting. In these situations a centralized service cost allocation plan is an appropriate process to identify and assign activities that benefit different programs. States must submit these plans to the U.S. Department of Health and Human Services each year for which they claim central service costs under Federal awards. Local governments designated by OMB as a “major local government” also have to submit such plans annually. All other local governments claiming central services costs must develop and maintain these plans and supporting documentation according to A-87 Attachment C requirements. Under OMB Circular A-87 federal agencies, however, are encouraged to work with state and local governments that want to use an alternative mechanism for administrative costs through a fee-for-service instead of the current cost-reimbursement payment method to reduce the burden associated with charging administrative costs to Federal programs and preparing and approving cost allocation plans.¹⁰

AUDITS

Budget estimates or other distribution percentages determined prior to the services performed do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes under certain conditions and across the different funding streams.

As part of planning, a determination should be made as to whether any of these exceptions apply. If so, states and communities should consider working with the appropriate Federal agency to seek approval for exceptions.

Finally, under certain circumstances, Federal agencies may also exempt State-administered, non-entitlement grant programs from some OMB grants management requirements. Certain Federal programs with statutorily-authorized consolidated planning and administrative funding may also receive an exemption from OMB administrative requirements and costs principles.¹¹

APPENDIX B: TEMPLATES FOR BLENDING & BRAIDING

The following templates have been referred to throughout this document:

- Template A: Analyzing Your Funding Streams,
- Template B: Analyzing Your Gaps,
- Template C: Coordinated Financing Plan, and
- Template D: Budget & Cost Allocation (not included in the Appendix).

Appendix B contains templates A, B, and C. However, to access these and other templates you can adapt and use, please visit Spark Policy Institute's Blending and Braiding website:

<http://sparkpolicy.com/fiscalguides.htm>

All of the templates provided on the website are guides only. As you undertake the work of planning and implementing a braided or blended funding approach, keep in mind that this work is unique at each and every site where it is implemented. While templates can help you envision the work you need to undertake, they will not be comprehensive and they cannot address all possibilities.

TEMPLATE A: ANALYZING YOUR FUNDING STREAMS

In Phase II, you and your stakeholders answered a set of questions about the design of your program. This worksheet will help you compare your program design to the eligible populations and allowable activities of your potential funding streams.

Step 1:

Fill in Column A with the answers to the questions. In the example below, based on a homeless services program, the population includes two types of clients (families with children and pregnant women) and two types of need (at risk and already homeless). They also noted that their population is likely to be lower income and some of the pregnant women would be runaway youth without families.

You may need to insert more rows as you answer the questions.

Step 2:

Collect information about your funding streams from your fiscal staff, the funder's documentation sent to your organization, the funder's website, or by talking to the funder directly. Review the information and start to enter the specific information that tells you what is allowed and not allowed in the context of your program design. Use Column B and C for the first two funding streams. Create a new document using the Template for additional funding streams.

EXAMPLE	Funding Stream 1	Funding Stream 2
Column A	Column B	Column C
What population do we need to serve?		
Families with young children	Eligible if low-income.	Yes, if homeless.
Pregnant women	Eligible if low-income (requires income to be known)	Yes, if homeless.
At risk of losing their housing	Yes, provided the risk of losing housing is leading to risk related to self-sufficiency, out-of-wedlock pregnancy, or keeping a two-parent family together.	Not eligible, must be homeless.
Homeless	Yes, provided homelessness is leading to risk related to self-sufficiency, out-of-wedlock pregnancy, or keeping a two-parent family together.	Eligible.
In low income families	All clients must either make less than \$75,000 per year or be in a family making less than \$75,000 per year. Family is defined as having a children under the age of 19 in the family unit.	Income is not a factor.
Runaways whose families are unknown	If the runaway is below 19, he/she is not eligible without knowing family income.	Runaway status is not a factor.

The Template is available at <http://sparkpolicy.com/fiscalguides.htm>

	Funding Stream 1	Funding Stream 2
What population do we need to serve?		
What does the “Front Door” of our program look like?		
What are the services or interventions that are part of our program?		
What will our services accomplish and how will we know?		
Where are we delivering the services?		
Who will deliver the services?		
What infrastructure is needed to support the program?		
What is the time frame for our funding streams? (including allowability of no-cost extensions)		

TEMPLATE B: ANALYZING YOUR GAPS

In Phase II, you and your stakeholders answered a set of questions about the design of your program. Using [Template A: Analyzing Your Funding Streams](#), you developed a matrix that compares each funding stream to your program design. This worksheet will help you see and understand gaps between what you want to provide in your program and what your funding will support.

Step 1:

Create a list that breaks out into distinct subgroups all of the populations and services you want to fund. The goal is to have non-overlapping groups.

In the example below, based on a homeless services program, the population includes two types of clients (families with children and pregnant women) and two types of need (at risk and already homeless) and two demographic factors (low-income and runaway youth).

You may need to insert more rows as you create your distinct groups.

Step 2:

Using [Template A: Analyzing Your Funding Streams](#), place an X for what is allowable by each funding stream. You should end up with a grid that clearly shows what each funding stream can and cannot fund.

	Funding Stream 1	Funding Stream 2
What population do we need to serve?		
Family with children under 5, at risk of losing housing, low-income	X	
Family with children under 5, at risk of losing housing, non-low income		
Family with children under 5, homeless, low-income	X	X
Family with children under 5, homeless, non-low income		X
Pregnant woman, at risk of losing housing, low-income	X	
Pregnant woman, at risk of losing housing, non-low-income		
Pregnant youth, runaway, at risk of losing housing, family income unknown		
Pregnant woman, homeless, low-income	X	X
Pregnant woman, homeless, non-low-income		X
Pregnant youth, runaway, homeless, family income unknown		X

The Template is available online at <http://sparkpolicy.com/fiscalguides.htm>

	Funding Stream 1	Funding Stream 2	Funding Stream 3	Funding Stream 4	Funding Stream 5
What population do we need to serve?					

	Funding Stream 1	Funding Stream 2	Funding Stream 3	Funding Stream 4	Funding Stream 5
What does the “Front Door” of our program look like?					
What are the services or interventions that are part of our program?					
What will our services accomplish and how will we know?					
Where are we delivering the services?					
Who will deliver the services?					
What infrastructure is needed to support the program?					
What is the time frame for our funding streams? (including allowability of no-cost extensions)					
(first month/quarter)					
(second month/quarter)					
(third month/quarter)					
(fourth month/quarter)					

TEMPLATE C: YOUR COORDINATED FINANCING PLAN

In Phase II, you and your stakeholders answered a set of questions about the design of your program. Using [*Template A: Analyzing Your Funding Streams*](#), you developed a matrix that compares each funding stream to your program design. Using [*Template B: Analyzing Your Gaps*](#), you were able to identify which funding streams will pay for what components of the program. Template C helps you to bring all of that information into one document that outlines your plan.

Step 1:

Delete this page! You will be left with an outline of a Coordinated Financing Plan with bullets on information to include.

Step 2:

Use the questions asked in the *Guide to Blending and Braiding* and Templates D – F to complete your plan. Make sure to engage your fiscal and programmatic staff in the design of the plan, as they will be responsible for implementing it.

The Template is available online at <http://sparkpolicy.com/fiscalguides.htm>

COORDINATED FINANCING PLAN

<enter your program/organization name>

<Enter date created>

PROGRAM DESIGN

- Provide a short overview of the program design, including eligible populations, direct services, and non-service delivery activities.

FUNDING SOURCES

- Briefly list each funding source, the contact information, the amount, duration, and any critical information to understand the purpose of the funding stream in supporting the program. For example, one funding stream might be comprehensive, supporting all components, while another funding stream is for primary health care services only.

PROGRAM BUDGET

- Briefly describe the Program Budget, as outlined in Template D: Program Budget
- Indicate any key decisions made that relate to the budget, such as the total population to be served.
- Your program budget, based on the revised design developed during the previous phase.

COST ALLOCATION

- Briefly describe your overall cost allocation model, as outlined in Template E: Cost Allocation Plan
- Indicate whether you are blending or braiding.
- Include a list of all the sources of financial information and how to access them.

FRONT DOOR PROTOCOLS

- Outline who has the authority to accept clients into the program and determine the services they will be provided.
- Outline what tool will be available to assist the Front Door in making appropriate decisions on eligibility and allowability.
- Outline what technical assistance will be available to Front Door staff, such as access to key fiscal staff if eligibility or allowability questions arise.
- Include Template F: Eligibility and Allowability.
- Outline what information will be in the case file to ensure ongoing awareness of eligibility and allowability for a client.

BACK DOOR PROTOCOLS

- Include a protocol for spending down the funding streams supporting your blended or braided model.

- Include the very specific eligibility and allowability requirements for each funding stream, to assist your Back Door staff in making appropriate funding decisions and answering questions from the Front Door staff. This information will come from Template A: Analyzing Your Funding Streams.

TRACKING AND REPORTING

- Include a timetable for your reports to your funders, including fiscal and programmatic reporting.
- Include your tracking and reporting tools. These tools should capture all of the information needed for all of your funders. They must include a timesheet to track personnel time spent on specific clients and on non-client-based activities.
- Include your protocol for completion of reports using the information collected. You will want to indicate how frequently programmatic staff must complete the tracking tools and the process for inputting data into various funders' databases or reporting templates.

FINANCIAL SYSTEMS

- Include a brief description of how your Coordinated Financing Plan aligns with existing financial practices and systems.
- Indicate where the Coordinated Financing Plan requires additional practices or systems and include protocols for those.
- Address potential need for segregating your funding in your accounting systems. This is critical for many public funding streams, and particularly important if you are a faith-based organization.

CONTRACTING

- Include an explanation of your contracting system (pre-approved providers, fixed price contracts, capitated contracts, case-rate contracts for multiple services, performance based contracts).
- Include an explanation of your reporting requirements to ensure contractors provide sufficient information to meet reporting needs.

QUALITY CONTROL AND STAFF TRAINING

- Describe quality control measures to ensure continued compliance with funding stream requirements throughout the implementation of the program.
- Describe the plan to train and support staff who will be implementing the Front Door and Back Door of the program.
- Address staff turnover.

RESOURCES

The resources below are good compliments to the information in this guide, providing more detail on some of the issues mentioned but not covered in depth, including additional funding streams to consider, strategies for sustainability, working on funding issues at a systems level, and engaging partners.

[New York State Materials on Early Childhood Financing:](#)

There are several documents prepared by the *New York Early Childhood Advisory Council* and *Schuyler Center for Analysis and Advocacy* that explore financing of an early childhood system and programs including home visitation in New York. They are:

- Maternal, Infant and Early Childhood Home Visiting in New York: Funding Options and Opportunities, Schuyler Center, March 2012.

http://www.scaany.org/documents/home_visiting_fundingopps_mar2012.pdf

- Home Visiting Saves Money, Prevents Child Abuse, Helps Children Learn and Strengthens Families, Schuyler Center, Summer 2011.

http://www.scaany.org/resources/documents/homevisiting_issuebrief_summer2011.pdf

- Universal Prenatal/Postpartum Care and Home Visitation: The Plan for an Ideal System in New York State, Schuyler Center, October 2007.

http://www.scaany.org/documents/home_visiting_white_paper.pdf

[Federal Funds for Integrated Service Delivery Toolkit](#)

A series of briefs prepared by *CLASP* that describe federal funding programs that could support components of an integrated service delivery strategy. The briefs cover eligible populations, uses of funds, and possible issues that might arise. This resource covers many funding streams not addressed in Part III of this guide. Note that the information is at the federal level and you will need to explore New York requirements as well. http://www.clasp.org/issues/pages?type=work_supports&id=0007#toolkit

CLASP also prepared a brief specific to early childhood (Putting it Together: A Guide to Financing Comprehensive Services in Child Care and Early Education, August 2012).

<http://www.clasp.org/admin/site/publications/files/A-Guide-to-Financing-Comprehensive-Services-in-Child-Care-and-Early-Education.pdf>

[Medicaid Financing of Early Childhood Home Visiting Programs](#)

PEW Center on the States and *the National Academy for State Health Policy* prepared a policy brief on how the opportunities and challenges of using Medicaid to support early childhood home visiting programs based on the experience of several states.

http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Home_Visiting/PCS_NAS_HP_HV_Medicaid.PDF

Self-Assessment and Planning Guide: Developing a Comprehensive Financing Plan to Support Effective Systems of Care

A tool designed by the *Center for Child and Human Development at Georgetown University* to assist states and communities with mapping their current financing sources and planning financing strategies to support expanded services. This tool will help you undertake mapping at a systems level across many agencies. It includes many checklists to use as you decide what you need to learn about how each funding stream is currently being utilized.

<http://gucchd.georgetown.edu/72354.html>

Sustainability Planning Workbook

The *Finance Project's* Sustainability Planning Workbook is a comprehensive guide to planning for sustainability. The guide covers a wide variety of sustainability issues, from the need for champions to the importance of prioritizing components to sustain.

<http://www.financeproject.org/special/engage/workbook.cfm>

REFERENCES

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- 1 Pires, Sheila. (2002). Building a Systems of Care: A primer. Washington, D.C.: Georgetown University Child Development Center, National Technical Assistance Center for Children's Mental Health.
 - 2 OMB Circular A-122 (2 CFR Part 230)
 - 3 OMB Circular A-87.
 - 4 OMB Circular A-87, Attachment B.
 - 5 OMB Circular, A-87, Attachment A, C.
 - 6 Colorado Preschool Program Handbook.
 - 7 OMB Circular A-87, Attachment B 8.h.
 - 8 OMB Circular A-87, Attachment A, B.10.
 - 9 OMB Circular, Attachment A, B.4.
 - 10 OMB Circular A-87, Attachment A, A.2.b.
 - 11 OMB circular, A-87Attachment A, A.3.e.