

Payment Integrity Scorecard

Program or Activity

Administration for Children and Families (ACF) - Head Start

Reporting Period

Q1 2024

FY 2023 Overpayment Amount (\$M)*

\$188

*Estimate based a sampling time frame starting 10/2021 and ending 9/2022



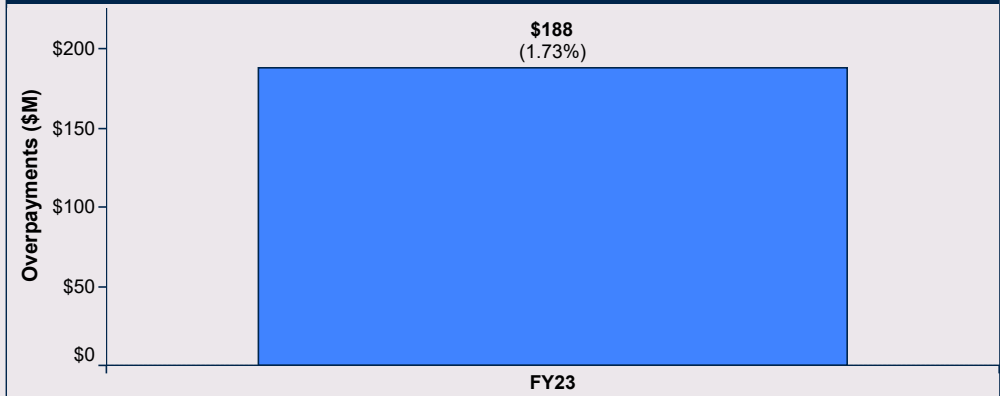
Health and Human Services

Administration for Children and Families (ACF) - Head Start

Brief Program Description & summary of overpayment causes and barriers to prevention:

Head Start programs support children's growth through services centered around early learning and development, health, and family well-being. These services are available at no cost to children ages birth to 5 in eligible families. Federal funds are awarded to local recipients who then disburse the funds within the parameters of approved budget categories. Overpayments in the program primarily occur at the recipient level and are often the result of payments to vendors in which there was a failure to follow processes to ensure the payment was proper. Federal level limitations to preventing these overpayments exists because pre-approval of expenditures by funding recipients is not required.

Historical Payment Rate and Amount (\$M) (Overpayment as Percentage of Total Outlays)



Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

The Office of Head Start (OHS) provided targeted technical assistance to the funding recipients who had a payment error in the FY 2023 reporting year. The targeted technical assistance was in areas such as procurement, source documentation, cost allocation, allowability of cost and other fiscal challenges that led to the payment errors. OHS plans to continue to provide training and technical assistance across all funding recipients in the aforementioned areas to reduce the likelihood of payment errors in the future.

Accomplishments in Reducing Overpayment		Date
1	OHS enhanced the monitoring tool to include transaction reviews.	Sep-23
2	OHS provided training in areas such as procurement, source documentation, cost allocation, and other common fiscal challenges identified by subject matter experts.	Sep-23
3	OHS reviewed Improper Payment protocols to improve the efficiency and effectiveness of improper error rate identification and reporting.	Dec-23

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Goals towards Reducing Overpayments	Status	ECD	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1 Improve the efficiency and effectiveness of improper error rate identification and reporting.	On-Track	Sep-24	1 Recovery Activity	OHS plans to take recovery action on payment errors identified during improper payment reviews and continues to issue disallowances on errors discovered through HHS Office of Inspector General audits, OHS program reviews, and Single Audits.	OHS is working with the funding recipients to recover overpayments through repayment and offset of future funding.
2 Provide training and technical assistance across all funding recipients in the areas of procurement, source documentation, cost allocation, allowability of cost and other fiscal challenges to reduce the likelihood of payment errors in the future.	On-Track	Sep-24			

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$188M	Overpayments outside the agency control that occurred because of a Failure to Access Data/Information Needed.	Failure to disburse the funds within the parameters of approved budget categories and to follow processes to ensure the payment was proper.	Training – teaching a particular skill or type of behavior; refreshing on the proper processing methods.	As errors were identified, targeted technical assistance was provided to address the root cause. Training will also be provided across funding recipients in key areas such as allowability of costs. These efforts are expected to reduce the occurrence of errors in the future.

Through the Health and Human Services' Administration for Children and Families, the Office of Head Start annually awards over \$10 billion in federal grants to approximately 2,100 funding recipients for the Head Start program. OHS is committed to ensuring the most vulnerable families benefit from enrollment in the Head Start program. To accomplish this, OHS strives to identify strategies to strengthen our monitoring and oversight of the Head Start program to ensure that funds are used for their intended and allowable purposes.