

## **Exhibit E**

### **Orange County Head Start, Inc. (OCHS) and the Requirement to Generate Community Support!**

Each year, OCHS must submit an application to the Administration for Children and Families (ACF) of the Federal Department of Health and Human Services for continued funding. This application identifies the operating funds needed by OCHS to provide Head Start (services to children from three to five years old) and Early Head Start (services to pregnant women and newborn children through the age of three). This application must include the “community’s support” for the Head Start program.

The Federal government requires OCHS to generate a minimum of 25 percent of all Federal funding received to support these programs. So, if OCHS receives \$36,000,000 in Federal funding, the “community’s support” of Head Start would be \$9,000,000. This is a significant contribution and every Federal dollar received carries this requirement.

The combination of the Federal funding and the Non-Federal Share is the total cost of operating the Head Start and/or Early Head Start program. So, in the previous example, the actual total costs to operate these programs are \$45,000,000; not just the Federal funding received by OCHS.

Non-federal share, often referred to as “cost sharing or matching” in federal regulations, means the value of third-party (outside companies and consultants) contributions that constitute the portion of the total costs of a grant-supported project or program not borne by the federal government. Non-federal share is also commonly referred to as “in-kind” or “local share”.

Your support of OCHS, through additional goods and services not charged to OCHS, is greatly appreciated and indicates your willingness to support the children and families most in need throughout Orange County. Documentation of your “community support” is necessary to prove to the Federal government that OCHS, in fact, raised its required Non-Federal Share. Your invoice or bid proposal should clearly identify any support that you may be able to provide to OCHS, the type of goods or services and your estimate of the market value.

We would be pleased to discuss with you the many different ways in which your company, you or your employees may be able to provide support to OCHS and to help us generate our required Non-Federal Share. A few ways that you can provide this support are: volunteering in the classroom, helping during general clean-up days, painting facilities, donating classroom or administrative supplies that we would normally have to purchase to conduct Head Start services.

One of the considerations in generating this “community support” is that no Federal dollars supporting another program may be used to also support OCHS’ Head Start and Early Head Start programs. So, agencies or individuals already funded by the Federal government would not be able to provide support to OCHS and have that support counted as Non-Federal Share. But, we would still appreciate your support of our programs even if we cannot count it for Federal purposes!

Please feel free to contact the Business Services Division, if you have any questions regarding Non-Federal Share or if you would like to contribute in supporting our children and families involved in the Head Start and Early Head Start programs. We’ll get you on your way to helping a long tradition of service to Orange County!