



Managing Multiple Funding Sources to Support Home Visiting Programs



New funding resources offer MIECHV recipients greater opportunities to improve maternal and child health, prevent child abuse and neglect, encourage positive parenting, and promote child development and school readiness. Expanded funding offers opportunities to increase the number of families receiving home visiting services and/or accelerate innovative practice. It may lead to improved performance outcomes and/or increase emergency supplies to home visited families. It may also result in a more seamless service delivery model through centralized intake and referrals.

However, expanded funding can also be accompanied by a range of unique fiscal requirements. These can present challenges for recipients who face the new task of managing multiple funding sources. One approach to easing this management burden is to create a coordinated funding plan that looks at the various funding streams and directs how to best fund vital services in ways that support long-term sustainability. Taking a more intentional view can help to mitigate some of the challenges of relying on diverse funding streams. But the plan is just the first step. Successful coordination of funding also includes incorporating the vision,

The Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program supports voluntary, evidence-based home visiting services for at-risk pregnant women and parents with young children up to kindergarten entry. Home visiting helps prevent child abuse and neglect, supports positive parenting, improves maternal and child health, and promotes child development and school readiness.

[Visit the MIECHV Program website to learn more!](#)

mission, and strategies laid out in your strategic planning process with thoughtful implementation.

This resource highlights key considerations for managing multiple funding streams, focusing especially on tips for implementing braided funding models.

Braided vs. Blended

It is important for MIECHV awardees to understand when it is acceptable to use multiple funding streams, and in what ways. The first step in this process is to understand the difference between braided and blended funds.

- **Braided funds** are funds from multiple funding streams that are leveraged (i.e., woven together) to support high quality programs.
- **Blended funds** are funds from one funding source that are commingled with funds from another source (i.e., all put into one pot, where the original funding sources become indistinguishable).


MIECHV allows awardees to braid funds but prohibits the blending of funds. The table below presents the rationale for this decision and reference guidance.





Braided vs. Blended Funding At-a-Glance

TYPE	DESCRIPTION	ALLOWED?	RATIONALE	REFERENCE GUIDANCE/ REQUIREMENTS
Braided	Leveraged use of multiple funding streams	Yes , where there are natural opportunities for strengthening programs	This method is allowed because: <ul style="list-style-type: none"> • The specific funding sources can be traced • The inflows and outflows of each funding source with specific funding requirements can be tracked 	45 CFR §75.302(b), Financial management and standards for financial management systems
Blended	Co-mingling funds from more than one source	No , MIECHV prohibits blending	This method is prohibited because: <ul style="list-style-type: none"> • Blended funds are co-mingled with other funds, so individual funding streams cannot be traced to the funding source 	45 CFR §75.302(b), Financial management and standards for financial management systems

Tips for Implementing a Braided Model

 **Establish clear objectives.** Clearly define the rationale for using multiple funding sources, including what you plan to achieve under individual funding sources and for the “braided” project, overall. For example, do you hope to reach more families? Do you wish to implement a new program model so that families have the best model to fit their needs? Are you focused on long term sustainability of home visiting services? Having a clearer understanding of your objectives can guide more informed decision making.

 **Engage stakeholders.** It is best practice to engage key stakeholders, including parent leaders, early on as you define how to maximize the benefits of braided funding. Enlist the support of senior management in the process. Make sure they have a clear picture of the risks versus the benefits of using braided funding and include them as you design your funding to mitigate risks.

 **Assess funding opportunities in relation to programmatic services.** As you identify and explore funding sources that allow braiding, envision the program work in a braided environment. Will you build out a continuum of services and use multiple home visiting program models to meet the differing needs of families? Will you concentrate on expanding the number of families receiving home visiting using an existing program model? Or might you use a funding stream to enhance a current model or implement an innovative practice? Determine how you will match activities and outcomes with funding streams. Consider the requirements for reporting braided and individual fiscal and programmatic data as you design your funding plan, and build in additional reporting capacity and infrastructure as needed.





Develop a coordinated funding plan. Key questions to explore for each source of funds in a coordinated plan include the following:

- **Flexibility:** How flexible and receptive are the funding sources to “braiding”? Does the funding source permit braiding? Does it encourage braiding? Are there examples of successful home visiting providers currently using a braided approach with the funding source and MIECHV?
- **Durability:** What is the durability of the various funding resources? Are they time limited or recurring (durable)? For example, American Recovery Act (ARP) funds currently available to address COVID-19-related needs may not be recurring. By comparison, Medicaid tends to be an ongoing and stable source of funding. What is the best way to move forward, given either time-limited or durable funding?
- **Alignment:** Are the funding streams closely aligned with the performance periods to minimize administrative disruptions?
- **Restrictions:** What limitations are included in the funding terms and conditions for each funding source from both a fiscal and programmatic standpoint? For example, Families First Prevention Services Act funding allows up to 12 months of services per family. However, MIECHV program model fidelity may require that home visiting services be offered to families for more than 12 months. So, are there options or opportunities to design program services and funding to accommodate all funding terms and conditions?





Assess your financial management strengths and gaps.

These include the following:

- *Accounting system capacity:* Does your accounting system have the capacity to track individual funding sources and combine multiple funding to meet tracking, accountability, and reporting requirements? (See 45 CFR §75.302 for more information.)
- *Time and effort documentation:* Have staff members been thoroughly trained on the requirements for time and effort tracking and for adequate source documentation to meet multiple funders' requirements? Have you developed training materials that can be shared with auditors and funders? (See 45 CFR §75.303 and §75.430 for more information.)
- *Infrastructure for increased fiscal monitoring:* Do you have enough trained personnel (both internally and among external partners) to address the increased risk of non-compliance that may accompany a more complicated funding approach? Can your accounting system accommodate the heightened monitoring requirements without having to rely on multiple manual processes? Have you prepared your partners and auditors for this change and addressed their concerns? (See 45 CFR §75.303 for more information.)
- *Policy and protocols:* Have you updated your policy and process documentation? Have you communicated policy and protocol changes and trained both staff members and partners? (See 45 CFR §75.302(b)(7) and §75.303 for more information.)
- *Allocation methodology:* Have you scheduled periodic reviews of your allocation methodology at key milestones, such as after implementation for process improvements, both prior to your Single Audit for organizational clarity and after your audit for lessons learned? (See 45 CFR §75.403–405 for more information.)





Determine roles and responsibilities, particularly in these key areas:

- *Budgeting*: Who will develop and refine an accepted allocation methodology for the “braided” budget? Who will manage fund-specific budgeting and consolidate an overall funding view into a budget “roll-up”? (See 45 CFR §75.405 for more information.)
- *Tracking*: Who will develop and refine processes for tracking funding inflows and outflows? Who will review and create tracking accounts and cost centers? Who will create budget vs. actual reporting for fund-specific reporting and budget roll-ups of braided funds? (See 45 CFR §75.302 (b)(3)-(7) for more information.)
- *Cost allocation plans*: Who will identify the impact on your negotiated indirect cost rate agreement (NICRA) or public assistance cost allocation plan (PACAP)? Who will communicate with cognizant agencies, auditors, and other required stakeholders about these agreements and plans? Who will monitor cost allocation to ensure compliance with allocation methodology? (See 45 CFR §75.416–419 for more information.)
- *Communication*: Who will lead communication between fiscal and programmatic staff on requirements for implementation, tracking, training, reporting, and monitoring? Who will be included in a visible leadership group for staff members and stakeholders to contact as issues arise and as revisions are needed?
- *Monitoring*: Who will identify the areas that require additional oversight for compliance? Who will monitor the areas of highest risk of non-compliance, such as payment management, cost allowability, and procurement? Who will train staff on effective monitoring techniques consistent with individual funding requirements and the complexity of “braided” funding models? (See 45 CFR §75.305 and §75.309; §75.403; and §75.327–329 for more information.)



- *Training:* Who will train staff on funder requirements, internal processes, and monitoring for compliance? Who will lead process improvements both prior to your Single Audit for organizational clarity and after your audit for lessons learned?
- *Ongoing review:* Who will plan for the regular review of changing needs and resource gaps with management? Who will create and manage a feedback process to identify roadblocks in real-time so that staff and partners are empowered to address issues quickly?

Conclusion

Multiple funding sources can expand services to reach more families. However, these expanded opportunities come with increased management complexity. MIECHV award recipients should have a clear understanding of the challenges and benefits of incorporating multiple funding sources into their program in order to minimize potential non-compliance and avoid disallowed costs. However, with careful planning, adherence to fiscal regulations, and sound financial management, the use of multiple funding streams can be an exciting opportunity to expand and improve services for families with young children who can benefit from them.



HRSA Resources

[45 CFR Part 75: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HSS Awards](#)

The Code of Federal Regulations (CFR) is the codification of the general and permanent rules published in the Federal Register by the departments and agencies of the Federal government. It is produced by the Office of the Federal Register and the Government Publishing Office.

[Manage Your Grant](#)

Health Resources and Services Administration

Provides detailed guidance on administrative and financial management; policies, regulations, and guidance; reporting requirements; and available trainings.

Additional Resources

Please note: *The resources below contain information relevant to this topic, but they are not endorsed by the Health Resources and Services Administration (HRSA). They were not developed in collaboration with HRSA nor does HRSA play any role in their maintenance.*

[Coordinated Funding Model](#)

Washtenaw County, Michigan

Presents key elements of a coordinated funding model.

[Organizational Leadership](#)

Head Start Early Childhood Learning & Knowledge Center

Defines cost allocation and layering and provides an overview of related government requirements, including audit requirements.

[Strategic Planning for Nonprofits](#)

National Council of Nonprofits

Presents tips and “practice pointers” for engaging in an effective strategic planning process, sample tools (e.g., agenda, timeline), and related resources.