



Guide to Granite Steps for Quality Incentive Funds

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New Hampshire Department of Health and Human Services

Division of Economic and Housing Stability

Bureau of Child Development and Head Start Collaboration

Guide to Granite Steps for Quality Incentive Funds

Granite Steps for Quality (GSQ) invests in a variety of resources to help programs on their path to enhanced quality. GSQ Incentive Funds serve to *recognize a program's achievement* of quality standards and *support their engagement in continuous quality improvement*.

The purpose of the *Guide to GSQ Incentive Funds* is to provide programs with the information they need to garner maximum benefit from the awards while following federal guidelines. It includes five topics:

- 1) How are GSQ incentive funds awarded?
- 2) What are the allowable uses of GSQ incentive funds?
- 3) What are the non-allowable uses of GSQ incentive funds?
- 4) What is the timeline for programs to expend GSQ incentive funds?
- 5) What are the documentation and reporting requirements for GSQ incentive funds?

How are GSQ Incentive Funds Awarded?

As described in the [Granite Steps for Quality Guide](#), incentive funds are awarded quarterly and annually based on a program's Quality Step designation and program type. Quarterly incentive funds are awarded in March, June, September, and December of each year, with payments made in the month following the end of the quarter. Annual incentive funds are awarded in December (based on availability of funds) with payments made in January of the following year.

Quarter	Date by which GSQ Quality Step Must be Awarded ¹	End of Quarter Date Invoices must be sent to BCDHSC by this date.	Estimated Date by which Program may Expect to Receive Quarterly Incentive Payment
1	February 28	March 31	April 25
2	May 31	June 30	July 25
3	August 31	September 30	October 25
4	November 30	December 31	January 25 of new year

What are the Allowable Uses of GSQ Incentive Funds?

GSQ incentive funds may be used for a wide variety of quality-related expenses within 12 broad categories:

1. Personnel Costs
2. Program Evaluation
3. Child Screening and Assessment
4. Implementation of Program Standards, Guidelines, Screenings, Assessments and Evaluations
5. Accreditation
6. Health-related Program Standards
7. Mental Health and Wellness for Children, Families and Staff
8. Professional Development and Support
9. Use of Outcome Measures for Program Quality Improvement
10. Program Supply, Availability and Access
11. Minor Renovations and Environmental Improvements
12. Communication and Public Awareness

Examples/Uses in Each Category

As you read the list of examples/uses in each category, please keep in mind that the list is not exhaustive. If you still have questions, including questions on other potential uses of funds not included in this document, please contact us at NHGSQ@dhhs.nh.gov. The Bureau of Child Development and Head Start Collaboration (BCDHSC) will update this information as applicable based on your questions and further guidance from the Office of Child Care.

1. Personnel Costs: Benefits, recruitment and retention.

- Benefits for child care program personnel, including health, dental, and vision insurance, free/reduced child care, scholarships, increase in paid vacation time, paid sick time or family leave, and retirement contributions
- Criminal background check fees for new staff or volunteers as part of increasing access to your program
- Employee incentives, such as recruitment/retention bonuses, temporary premium pay and/or one-time bonuses, quarterly or annual bonuses, etc.
- Specialists (e.g., facilitators, coaches, consultants, etc.) to support primary staff in out-of-classroom activities on a temporary basis, such as team reflection, Leadership Team meetings, planning and preparation of curriculum and materials, etc.; and/or to better support the needs and participation of individual children

2. Program Evaluation: Costs associated with evaluating and assessing the quality and effectiveness of your program, including how it positively affects children, families, and staff.

- Overall program evaluation tools, such as Environment Rating Scales* and Pyramid Model Benchmarks of Quality*
- Tools/checklists on specific topics, such as family engagement and support such as [Strengthening Families Framework](#), [Head Start Parent, Family, and Community Engagement Framework](#), or [Dual Capacity Framework for Family-School Partnerships](#)
- Surveys for families on program satisfaction and benefits, and their engagement with both the program itself and with their children’s development
- Specialist* (coaches, consultants, mentors, etc.) to support program evaluation activities, on any aspect of program quality, stability, and sustainability, including business practices/operations and data-informed decision-making.
- Design and implementation of data collection strategies and activities, as well as activities for data-informed decision-making.
- Reports on the quality and effectiveness of your program (e.g., preparation and dissemination of reports)

*NOTE: BCDHSC may cover some of these costs under GSQ resources. Please review the GSQ FAQs ([found here](#)) prior to purchasing tools or hiring these specialists.

3. Child Screening and Assessment*: Costs associated with implementing child screening and assessment, such as purchasing tools, training staff, administering the screening or assessment tool, data collection, reporting, etc.

- Child screening tools such as:
 - Ages and Stages Questionnaires (ASQ/ASQ-SE) (developmental screening). Contact Watch Me Grow (nhfamilyvoices@nhfv.org)
 - [Pediatric ACEs and Related Life-events Screener \(PEARLS\)](#)
 - [Developmental Indicators for Assessment of Learning \(DIAL\)](#)
- [Dynamic Indicators of Basic Early Literacy Skills \(DIBELS\)](#)
- Child assessment tools such as the following three tools recommended by the Kindergarten Entry Assessment and Transition Task Force (report available at: [final-kindergarten-entry-assessment-and-transition-report.pdf \(nh.gov\)](#)):
 - [Teaching Strategies Gold® \(TS Gold\)](#)
 - [Desired Results Developmental Profile \(DRDP\)](#)
 - [Child Observation Record Advantage \(COR Advantage\)](#)

*NOTE: BCDHSC may cover some of these costs as GSQ resources. Please review the FAQs to see what expenses are covered.

4. Implementation of Program Standards, Guidelines, Screenings, Assessments, and Evaluations: Improve program quality via the implementation of standards and guidelines and/or based on results of program and/or child assessments or evaluations.

- Examples of Program Standards, Guidelines, Assessments and Evaluations:
 - NH Early Learning Standards (<https://www.nh-connections.org/resources/the-nh-early-learning-standards/>)

- The National Afterschool Association Core Knowledge Skills and Competencies for out-of-school time providers <https://naaweb.org/all-documents/40-naa-core-knowledge-skills-competencies-for-ost-professionals-rev2021-1/file>
- Early Head Start standards (adopted in child care infant/toddler classrooms) [Head Start Program Performance Standards Excerpts 45 CFR Chapter XIII Infants and Toddlers and Early Head Start \(hhs.gov\)](#)
- Head Start standards (adopted in child care preschool classrooms) ([Head Start Program Performance Standards | ECLKC \(hhs.gov\)](#))
- Pyramid Model Benchmarks of Quality for early childhood programs [BoQ_EarlyChildhood_Program-Wide.pdf \(pyramidmodel.org\)](#)
- Environment Rating Scales ([Environment Rating Scales® | Environment Rating Scales® \(unc.edu\)](#))
- Examples of Uses to Implement Standards and Guidelines and/or address findings from Assessments and Evaluations:
 - Costs to purchase assessment and evaluation tools*
 - Manipulatives and print materials to increase the program’s representation of our culturally diverse world
 - Equipment for children, including child-sized seating, climbing structures, shelving
 - Manipulatives, toys, and materials to support the curricular development in the areas of math, science, social/emotional learning, language and literacy, social studies, technology, health and safety
 - Consumable goods such as art supplies, sensory materials, and loose parts
 - Age-appropriate print/reading materials
 - Subscription to a classroom/family communication app
 - In-classroom tablets
 - Computers, printers, printer ink, binders, page protectors, laminating machine, paper cutter, or other equipment needed by adults to support the creation and maintenance of children’s developmental progress notes, portfolios, classroom displays, etc.

*NOTE: GSQ may cover some of these costs as GSQ resources. Please review the FAQs to see what expenses are covered.

5. Accreditation: Engage in the voluntary pursuit of accreditation.

- Fees related to the pursuit of new or renewal accreditation by the National Association for the Education of Young Children (NAEYC)
- Fees related to the pursuit of new or renewal accreditation by the National Association for Family Child Care (NAFCC)

6. Health-related Program Standards: Support the development or adoption of high-quality program standards related to health, mental health, nutrition, physical activity, and physical development.

- Supplement/increase food budget in order to engage in cooking experiences with children and to improve snack menus (this could be food, ingredients, or needed

equipment such as electric griddle, blender, sets of measuring cups, mixing bowls, serving dishes, etc.)

- Pyramid Model implementation costs
- Access to mental health supports for staff, children and families
- Consultation/coaching/collaboration with a nutritionist or nutrition program to design healthy menus, plan healthy snacks and/or assist staff to support the individual needs of children relative to nutrition and eating concerns (e.g., in-services from WIC; purchase FIT WIC books and kits for families)
- Implement a breastfeeding feeding healthy child care environment using the WIC toolkit (<http://www.nhbreastfeedingtaskforce.org/childcare.php>)
- Participation in the Child and Adult Care Food Program (CACFP) - to support the costs associated with record keeping requirements and potentially, additional food costs due to program participation

7. Mental Health and Wellness for Children, Families and Staff: Costs for direct support of child, family, and staff well-being.

- Employee Assistance Programs (EAP)
- Staff time to collaborate with Family Resource Centers and Community Mental Health Programs
- Engage mental health professionals to support children, family, and staff
- Implement a staff wellness effort in your program, such as bringing in a wellness coach or participating in a program such as [Be Well, Care Well](#) or a similar program
- Paid days for staff to engage in community-wide volunteer work

8. Professional Development and Support: Support the training and professional development of program staff.

- Payment for staff to maintain NH Early Childhood and Afterschool Credentials
- Payment for professional development specialists to provide coaching, training, TA and/or support to the program on any aspect of program quality (e.g., business practices, family engagement, supporting children with special needs, program environment, etc.).
- Costs of staff, volunteer and/or intern participation (in-person or virtual) in training or conferences on GSQ-related topics, including, but not limited to, the following:
 - Health and Safety Practices
 - Environmental Health
 - Child and Adolescent Development and Developmentally Appropriate Practices
 - Infant and Child Mental Health
 - Theory and methodologies
 - Adult Learning Theory (for Administrators, Lead Teachers, and Staff who are training others)
 - Communication
 - Emotional Intelligence
 - Pyramid Model
 - Curriculum Development

- Screening Tools and Environment Rating Scale Tools
- Staff Wellness
- Program and staff fees for membership in professional organizations, such as:
 - [National Association for the Education of Young Children](#)
 - [National Afterschool Association](#)

9. Use of Outcome Measures for Program Quality Improvement: Carry out other activities to improve the quality of child care/Head Start services supported by data and outcome measures that enhance provider preparedness, child safety, child well-being, family engagement, kindergarten entry, transitions from one program to another, and other areas.

- Specialists* (coaches, consultants, mentors, etc.) to help identify outcome measures for your program and share information on how to use them for program improvement
- Staff stipend to incorporate program improvement outcomes in reports on program quality and effectiveness

*NOTE: Dependent upon your awarded Step and pathway, BCDHSC may cover some of these costs as general resources.

10. Program Supply, Availability, and Access: Improve the supply/availability of and access to child care for children and their families.

- Program set up or expansion costs, such as materials, furniture, fixtures
- Marketing/advertising of new/increased program availability
- Staff time to design/plan and launch expanded classrooms or programs

11. Minor Renovations and Environmental Improvements: Comply with safety guidance in the context of developmentally appropriate practice and a welcoming environment for children and families.

- Building or upgrading playgrounds and outdoor learning environments
- Renovating bathrooms, installing railings, ramps, or automatic doors to make the facility more inclusive and accessible to children and family members with disabilities. Minor renovation, including to make programs inclusive for children and family members with disabilities, does not require prior ACF approval
- Upgrading the kitchen to add safe electrical outlets and fix plumbing fixtures
- Installation of a sanitizer machine for washing children's dishes and toys
- Repainting walls with a non-toxic paint
- Renovating and updating bathrooms (e.g., sink, faucet, toilet, etc.) to ensure age-appropriateness and child safety
- Installing storage space for each child's personal belongings
- Updating a sidewalk to provide a safe pathway for children
- Replacing fire sprinklers, carbon monoxide detectors, and smoke detection system
- Installation of an air conditioner system, air filtration, or other efforts to improve air quality in the program

- Replacing windows, screens, or doors
- Environmentally sound and child-safe pest management efforts
- Adult sized furniture in classrooms and areas where families may gather
- Creating breastfeeding friendly spaces for lactating individuals

12. Communication and Public Awareness: Use social media to enhance communication and enhance public awareness about your program.

- Create or upgrade and manage a program website
- Use apps to enhance communication with staff, families and/or community partners

What are the Non-Allowable Uses of GSQ Incentive Funds?

Programs *may not use GSQ Incentive Funds* for the following purposes:

- Operational and/or occupancy expenses (other than Personnel Costs as described in #1)
- Rent or mortgage payments, utilities, insurance, or facilities maintenance and improvements (unless allowed in #11)
- Typical supplies needed to maintain licensing requirements (e.g., cleaners, soap, paper towels, single-use gloves)
- Major construction projects, additions, or renovations not listed above
- Transportation as it relates to daily program operations during program hours including mileage, and vehicle maintenance
- Fees associated with licensing and costs associated with meeting licensing requirements, except as noted in #1 (i.e., background checks for new hires or volunteers)

What is the Timeline for Programs to Expend GSQ Incentive Funds?

Programs must expend their GSQ quarterly and annual incentive funds in the same calendar year in which they are *received* (not necessarily earned), as shown in the following table:

Incentive Funds Earned:	Incentive Funds Received:*	Must be Expended By:
Quarter 1: January 1 – March 31, 2024	April 2024	December 31, 2024
Quarter 2: April 1 – June 30, 2024	July 2024	December 31, 2024
Quarter 3: July 1 – September 30, 2024	October 2024	December 31, 2024
Quarter 4: October 1 – December 31, 2024	January 2025	December 31, 2025
Annual Incentive Funds Award December 2024	Quarter 1 2025	December 31, 2025

*Note: Although BCDHSC is committed to distributing incentive funds according to the above schedule, payments may be delayed at times due to unanticipated circumstances, resulting in programs receiving their funds in the following month.

What are the Documentation and Reporting Requirements for GSQ Incentive Funds?

In order for BCDHSC to meet federal reporting requirements for Child Care and Development Fund quality spending, programs accepting GSQ incentive funds will be required to complete a **GSQ Incentive Funds Annual Report**.

Please note: In order to receive your Quarterly Incentives your completed Annual Report MUST have been received by the due date of January 31st. Failure to submit your report may result in delay or suspension of your incentive funds payments.

- **Allowable Expenses Spreadsheet:** Programs will indicate the amount of GSQ incentive funds expended in each of the “Allowable Expenses” categories (as listed on page 1) during the reporting period. Programs will also include the total amount of funding (across categories) they spent on infant-toddler related expenses for this same period. The Allowable Expenses Spreadsheet is available here: <https://www.nh-connections.org/providers/quality-care-matters/>

GSQ Incentive Funds Annual Report Due Dates and Submission

The table below shows the due date for the GSQ Incentive Funds Semi-Annual Report.

Dates Enrolled in GSQ	Report Due Date
January 1 – December 31	January 31 st of the new year

Submit Allowable Expenses Spreadsheet as an attachment via email to: NHGSQ@dhhs.nh.gov

GSQ Incentive Funds Allowable Expenses Spreadsheet Instructions

Use the *Granite Steps for Quality Program Incentive Funds Allowable Expenses Spreadsheet* to document how you used your quarterly and annual GSQ incentive funds.

- Complete one form for every calendar year
 - If you started to expend your incentive funds mid-year, then you will only submit a form reflecting those expenses.
- If you spent zero of your GSQ incentive funds in a given month, indicate “0”
- Save the form with this naming convention – {Your Program Name} GSQ Annual Spending Report YEAR
 - Example: Good Childcare GSQ Expense Report 2025.
 - If you have more than one site, please add something to the name that indicates which site you are reporting on. Example: Good Childcare Hopkinton Annual Spending Report 2025

- For the months you are documenting the allowable expenses, change the year to the actual year.
 - Example: January/Yr becomes January 25. *This is not the period you earned the incentives, it is when you actually spent the incentives.*
 - If you received your quarter 1 (January-March) incentive in April, then you would likely spend that money in quarter 2 (April, May, and June).
- Review the instructions regarding allowable expenses. Document the amount in the appropriate category and month (see definitions above). If you are unsure where the expense should be listed, add a comment in the far right hand column.
- Once you have completed the expense section for each month, determine **how much of the total funds were used for infant and toddler-related expenses.***

Infant/toddler-related expenses may include, but are not limited to, the following examples:

- Professional development on topics relative to infants and toddlers
- Materials and equipment for infants and toddlers; adaptations to the environment
- Regular and special activities to foster infant/toddler development (including social-emotional)
- Family engagement as leaders and in fostering their infants' and toddlers' development
- Adopting evidence-based practices/models for infants and toddlers (e.g., Pyramid Model, trauma-informed care, Strengthening Families framework, Early Head Start framework, etc.)

**Note: Infant/toddler expenses are a portion of, not in addition to, your total expenses.*

- Example: You spent \$1,500.00 in January. Of that \$1,500.00, you used \$500 for new infant/toddler toys and equipment. You would put \$500.00 in the January infant/toddler line.
- Sign the bottom of the spreadsheet by typing in your name, date, contact number and email address.
- Save a copy of the document and send an email with the document *as an Excel attachment* to: NHGSQ@dhhs.nh.gov with the words **{Program Name} GSQ Annual Spending Report** in the subject line.
- **Remember to save all the receipts/documentation for these expenses, as they may be subject to audit.**

GSQ Incentive Funds: Annual Data and Information Report Instructions

- Reports for January thru December will be due on or before January 31st of the following calendar year.