

Subject:	DEC Prior Authorization Policy
Effective Date:	November 20, 2025

Purpose

This policy outlines the procedures for obtaining prior written authorization from the San Francisco Department of Early Childhood (DEC) for specific costs under nonprofit contracts and grants. It ensures compliance with federal, state, and local regulations and supports timely and accurate invoicing and reimbursement.

Policy

Certain cost categories require prior written approval from DEC before they may be incurred or invoiced. This policy applies to all nonprofit grantees and contractors funded by DEC, including those receiving State or Federal funds.

Procedure**Submission of Request:**

Grantees must submit a written request for prior authorization to their assigned DEC Program Officer before incurring the expense or including it in an invoice. The request must include:

- A description of the cost item and justification for its necessity.
- Estimated cost and alignment with program goals.
- Any supporting documentation (e.g., quotes, event details, travel plans).

Review and Approval:

DEC will review the request within 15 business days. The review will consider:

- Alignment with contract objectives and funding source restrictions.
- Reasonableness and necessity of the cost.
- Availability of funds and compliance with cost categorization guidelines.

**DEC may request additional information or clarification during the review process.*

Notification of Decision:

DEC will notify the grantee of the decision in writing. If approved, the notification will include any conditions or limitations. If denied, the notification will include reasons and recommendations for resubmission.

Implementation

Upon approval, grantees may proceed with the expense and include it in the appropriate invoice. Proof of prior authorization must be retained and submitted upon request or during invoice review. Grantees must maintain accurate records and ensure compliance with the approved cost.

Monitoring and Reporting

DEC may request supporting documentation for any prior-authorized expense at any time. Grantees must be able to produce documentation within 72 hours of request. Prior authorized costs are subject to review during:

- Monthly invoice reviews
- Annual invoice audits
- Citywide fiscal and compliance monitoring

Categories Requiring Prior Authorization

Category	Examples	Notes
Travel & Transportation	Out-of-area travel, vehicle purchases	Must follow GSA per diem rates
Training & Staff Development	Conferences, workshops	Includes registration, travel, and lodging
Capital Expenditures	Equipment > \$1,000, facility upgrades	Subject to funding caps
Subcontractors & Consultants	MOUs, professional services	Requires budget approval
Incentives	Gift cards, honoraria	Not allowed for staff
Events & Food	Field trips, participant meals	Staff meals are unallowable
Miscellaneous	Unique but necessary costs	Must be justified and pre-approved
Fringe Benefits	Non-standard benefits or rate changes	Requires documentation and approval

Restrictions

- Budget inclusion does not waive the requirement for prior authorization.
- Unapproved costs may be deemed ineligible and not reimbursed.
- Repeated noncompliance may result in corrective action or contract default.

Responsibilities

Grantees are responsible for:

- Ensuring all prior-authorized costs are necessary, justified, and documented.
- Retaining proof of prior authorization for audit and invoice review.

DEC is responsible for:

- Reviewing and approving requests in a timely and fair manner.
- Monitoring compliance and providing technical assistance.

Contact Information

For questions or assistance with prior authorization requests, grantees should contact their assigned Program Officer.