



AmeriCorps State Funding Program Financial Management and Budgeting

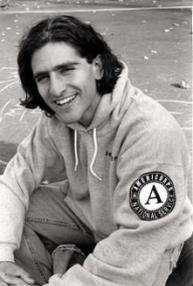
presented by

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Session Objectives



Part 1: Financial Management

Increase participant understanding of basic concepts and responsibilities of managing their federal grant

Review key grant requirements for managing an AmeriCorps grant

Part 2: AmeriCorps Budget Application

Participants will develop skills for creating their AmeriCorps budgets and narrative



Part 1



Financial Management of Your AmeriCorps Program





Program Responsibility Highlights



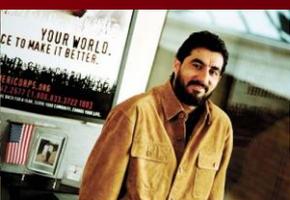
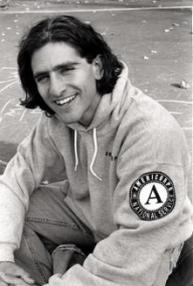
- Overall compliance with CNCS and AmeriCorps regulations
- Training, monitoring and oversight of member compliance
- Timely, accurate, and complete program and performance reporting
- Ensure key staff understand roles, responsibility, understand each others priorities and work together



Compliance as a Team Effort



- Strengthens the overall success of the program
- Builds a more efficient and effective program
- Enhances cooperation and coordination
- Promotes on-going communication
- Program and Fiscal staff both
 - *Gain a deeper understanding of the program goals*
 - *Learn to value each other and their roles in the project*
 - *Support and cultivate a common purpose with mutual goals and mutual accountability*



Efficient Accounting Systems must:

- Distinguish grant versus non-grant related expenditures
- Identify costs by program year
- Identify costs by budget category



Efficient Accounting Systems must:

- Differentiate between direct and indirect costs (administrative costs)
- Allow management to easily obtain financial reports at both the summary and detailed levels
- Include accounting information and documents that correlate to financial reports

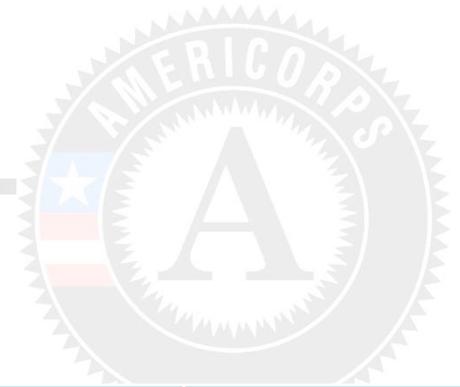


Efficient Accounting Systems must:

- Account for each award/ grant separately.
- Maintain Federal/ non-Federal matching funds separately.
- Record in-kind contributions as both revenues and expenses.



Grant Guidelines



Federal Grant Guidelines	Educational Institutions	States, Local, Indian Tribal Governments	Non-Profits	Hospitals
Administrative Requirements	§ 45 CFR 2543 § 2 CFR 215 (formerly A-110)	§ 45 CFR 2541 OMB A-102	§ 45 CFR 2543 § 2 CFR 215 (formerly A-110)	§ 45 CFR 2543 § 2 CFR 215 (formerly A-110)
Cost Principles	§ 2 CFR 220 (formerly A-21)	§ 2 CFR 225 (formerly A-87)	§ 2 CFR 230 (formerly A-122)	§ 45 CFR 74 (HHS regulations)
Audit Requirements *	OMB A-133	OMB A-133	OMB A-133	OMB A-133



Administrative Requirements

- Provide consistency and uniformity among Federal agencies in the management of grants and cooperative agreements
- Require all Federal agencies to issue a grants management common rule to adopt government-wide terms and conditions



Cost Principles



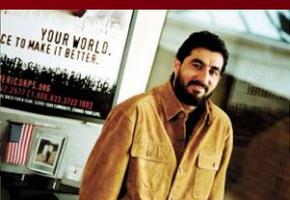
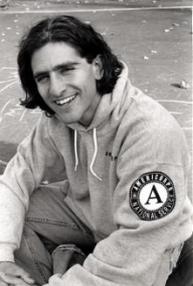
- Used to determine the allowable costs under grants or contracts
- Designed so that Federal awards support their fair share of the cost
- Provide information about factors that affect allowability and information about reasonable, necessary, and allocable costs
- Provide information on documentation requirements
- Encourage consistent treatment of costs



A-133 Audit Requirements



- Provide the standards for obtaining consistency and uniformity among Federal agencies for the audit of organizations expending Federal funds
- Apply to all organizations that expend \$500,000 or more of Federal funds in that organization's fiscal year



Cost Types



Direct

Costs that are directly attributable to meeting the goals and objectives of the programs

Examples:

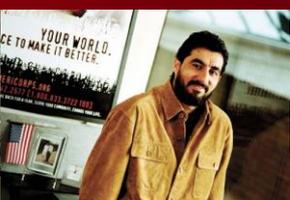
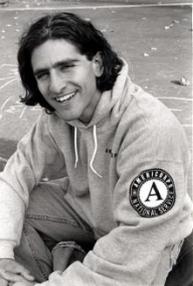
- Allowable, direct charges for members
- Costs for staff who train, recruit or supervise members
- Member gear
- Costs for independent program evaluations
- Costs for travel

Indirect or Administrative

Administrative costs are general or centralized expenses of overall administration of an organization that receives assistance from CNCS

Examples:

- Accounting, auditing, general legal service
- Costs for internal evaluation
- General liability insurance
- Salaries & benefits related to general organizational management and support





Examples of Unallowable Costs



- Lobbying
- Fines and penalties
- Expenses not necessary to meet program objectives
- Costs that would constitute waste, fraud and abuse
- Unreasonable costs from a “prudent person” perspective
- Costs with no logical basis for allocating to your program





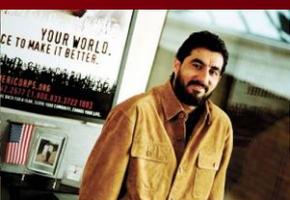
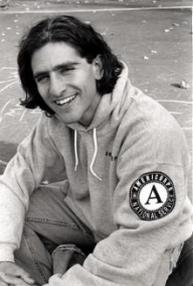
Grant Provisions

- Are issued by CNCS with the Notice of Grant Award
- Are the guiding principles for CNCS-funded grants and cooperative agreements
- Contain program and financial guidelines
- Are binding on the grantee and sub-grantee in the same manner
- The order of precedence if inconsistencies exist is:
 1. *Notice of Grant Award*
 2. *Special Provisions*
 3. *General Provisions or Terms and Conditions*
 4. *Approved Grant Application*



Financial Management Principles

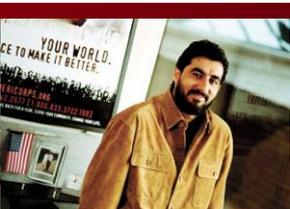
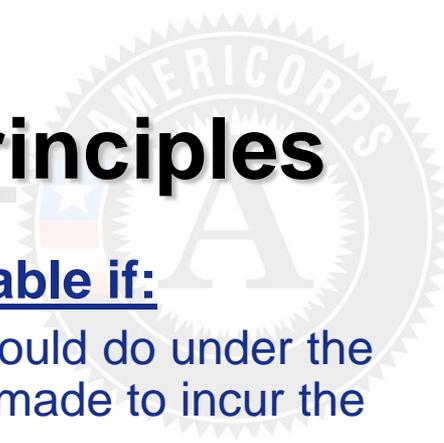
- Allowable Costs: To be allowable under a grant, costs must:
 - Be reasonable and allocable for the performance of the award
 - Conform to grant award limitations or cost principles
 - Be consistent with policies and procedures that apply to both federally-financed and other activities of the organization
 - Be given consistent treatment
 - Be in accordance with Generally Accepted Accounting Principles (GAAP)
 - Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program
 - Be adequately documented



Financial Management Principles

Reasonable Costs- A cost is reasonable if:

- It does not exceed what a prudent person would do under the circumstances at the time the decision was made to incur the cost
- Consideration should be given to:
 - Whether the cost is ordinary and necessary for the operations of the organization
 - The restraints or requirements imposed by generally accepted sound business practices
 - Whether the individuals concerned acted with prudence
 - Significant deviations from established practices which may unjustifiably increase the award costs



Financial Management Principles



Allocable Cost - A cost is allocable:

- Based on its relative benefits received
- If it is treated consistently with other costs incurred for the same purpose in like circumstances and if it:
 - Is incurred specifically for the award
 - Benefits both the award and other work and can be distributed in reasonable proportion to the benefits received or
 - Is necessary to the overall operation of the organization





Internal Controls



- What are Internal Controls?

Internal control is a “process” affected by an organization’s board, management and other personnel designed to provide reasonable assurance regarding the achievement of

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with laws and regulations

System of checks and balances to protect and to enhance the organization to achieve their goals



Why Have Internal Controls?

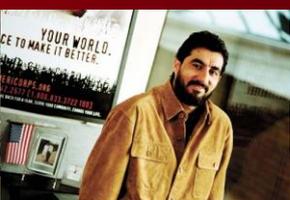
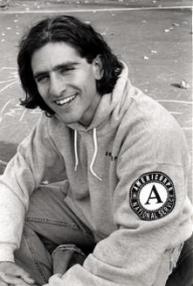
- Improve accountability to customers
- Help organizations achieve performance and budget targets
- Improve reliability of financial reporting
- Improve compliance with laws, regulations
- Prevent loss of resources and public assets
- Prevent loss of public trust
- Reduce legal liability

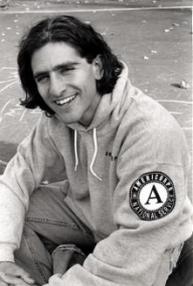


Internal Control Objectives



- Adequacy of audit trail
 - Can a transaction be traced from the accounting records back to the original source documentation, e.g., invoice, timesheet?
- Separation of duties
 - Are the various aspects of the accounting functions separated and performed by more than one person?
- Physical safeguarding of assets
 - Are the assets of the organization protected?
- Adequacy of records
 - Are adequate records maintained to provide explanation, and basis for decision or transaction?





A Good Control Environment Includes:

- Positive “atmosphere” in the work environment
- Existence of a code of conduct and code of ethics
- Written job descriptions
- Timely/appropriate communications with Board
- Written policies to hire, train, promote and compensate employees
- Safeguards for employees related to whistle-blowing
- A clear chain of command
- Clear, written delegations of authority and responsibilities
- Written policies, procedures and processes
- Adequate review process for financial transactions, financial reports, budgets, etc.





A Good Control Environment Includes:

- Adequate cash management procedures, e.g., monthly bank reconciliations by supervisory personnel
- System to track members' & employees' time and activities
- System to follow up on problems to ensure resolution and ensure problem is not repeated

Responsibility for Internal Controls

Internal Controls are not just the responsibility of the financial management. **EVERYONE** within an organization has a role and responsibility.





Policies and Procedures

Policies and procedures are a set of written documents that describe an organization's

- 1) policies for operation – “what is to be done”
- 2) the procedures necessary to fulfill the policies – “how, who and when it is to be completed”

- All staff must be familiar with these documents
- Documents must incorporate Federal and CNCS grant regulations and provisions



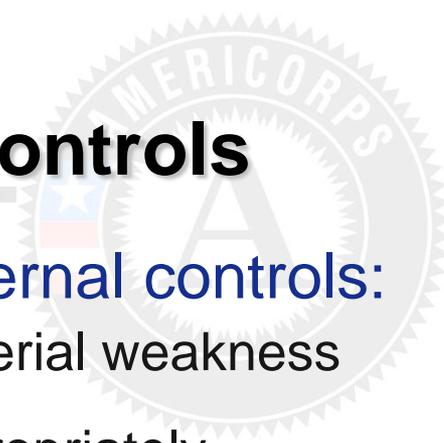
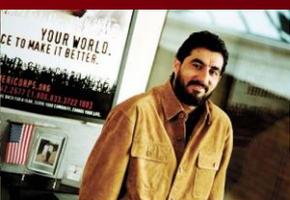
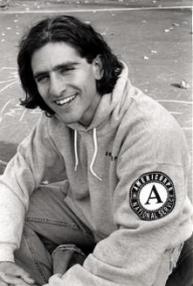
Written Policies and Procedures

- Should be established, followed, monitored, updated and reviewed
- Are the standards for the organization's operations
- Help maintain information that is crucial to operations that would otherwise remain in employees' "heads"
- Help orient new employees and substitutes if the appropriate personnel are absent
- Assist with consistency and clear communication of expectations
- Most effective ones explain rationale and include examples of principal transactions and completed forms



Implications of Inadequate Controls

- Potential impacts of inadequate internal controls:
 - Audit findings – questioned costs, material weakness
 - Federal funds may be managed inappropriately
 - Funding sources are jeopardized
 - Inconsistencies in practices, processes, reviews, approvals, results, documentation
 - Inefficient use of time and resources
 - Repayment of disallowed or unallowable costs





Match



- The ultimate goal is sustainability!
- Grantees must meet minimum requirements of 50% overall match by year 10
(\$1 for every CNCS \$1)



AmeriCorps Match Requirements



Grantees are required to meet an overall matching rate that increases over time. See chart below.

You have the flexibility to meet the overall match requirements in any of the three budget areas, as long as the minimum match levels are maintained.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Overall Minimum Share	24%	24%	24%	26%	30%	34%	38%	42%	46%	50%





Acceptable Match is:

Cash and in-kind contributions are accepted as part of the grantee's cost sharing or matching when contributions meet all of the following criteria:

- Are verifiable from the grantee's records
- Are necessary and reasonable for proper and efficient accomplishment of project or program objectives
- Are allowable under the applicable OMB cost principles
- Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching
- Are provided for in the approved budget
- Conform to other grant provisions or OMB Circulars



Valuing In-Kind Contributions

- Use fair market price
- Consider what it would cost to obtain similar goods or services
- The donor must provide the value of the donation
- Review the donation letter or form to ensure the value is reasonable

The IRS defines ***fair market value*** as the price that item would sell for on the open market





Documenting In-Kind Contributions

1. Document the basis for determining value of personal services, material, equipment, building, and land
2. Obtain written acknowledgement from the donor to include:
 - ✓ *Name and signature of donor*
 - ✓ *Date and location of donation*
 - ✓ *Detailed description of item or service*
 - ✓ *Estimated value of contribution, how value was determined, who made the determination*
 - ✓ *Whether the contribution was obtained with Federal funds*

***** Keep a copy of the receipt in your files *****

If audited, a grantee may be required to provide supporting documentation of ALL donations, if not available during the audit.



Recording In-Kind Contributions

- Maintain adequate documentation to support amounts claimed as match
- Maintain same documentation for both CNCS Federal share and for grantee's share
- Documentation must meet same standards as other expenditures within organization
- Record donation and valuation of item in detail
- Enter into the General Ledger as income and expenditure
 - Failure to enter match contributions into general ledger requires a formal explanatory policy and separate spread sheet accountability of receipt and use





Documentation of Expenses



- All expenses should have supporting documentation that directly relates to grant expense
- Organization record retention policy should correlate to grant guidelines
- Documentation should support expenditure for: reasonableness, necessity, allocability, allowability, and adherence to grant guidelines





Reimbursements



- Reimbursement is made based on actual expenses incurred.
- Reimbursements may not be for estimated, unauthorized, or unallowable expenses.
- Invoices must be for approved and budgeted expenditures that programs have already incurred.
- No advances are allowed.



Reimbursements

MCSC requires monthly reimbursement.

Sub grantees/Programs must submit:

Request for Reimbursement Form.

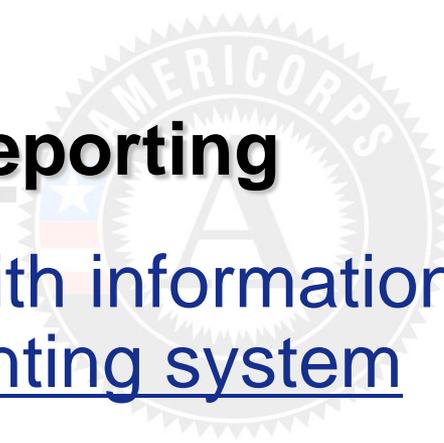
Supporting documentation, including copies of receipts/invoices

A copy of AmeriCorps program's general ledger for that month

A copy of the payroll register related to payroll expenses

Documentation for all claimed match





Key Elements of Financial Reporting

- Prepare all financial reports with information from the organization's accounting system
- Review and reconcile the information to ensure accuracy prior to report submission
- Ensure files have the proper documentation to support all information reported in financial reports
- Submit all reports on time



Financial Reporting



MCSC requires 2 types of Financial Reporting

Monthly = PER (Periodic Expense Report)

Quarterly = AFR (Aggregate Expense Report)

Both of these are completed in the computerized OnCorps Reporting System.



Monthly Reporting



- **Periodic Expense Report (PER) tracks all AmeriCorps related expenditures by budget category**
 - Federal Funding
 - Match Funding
- **PER Essentials**
 - Due to MCSC by 15th of each month
 - Report on cash basis – not accrual
 - Submit in OnCorps Reporting System
 - *Failure to submit in OnCorps will result in reimbursement delays*

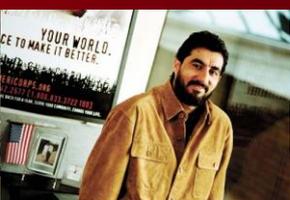
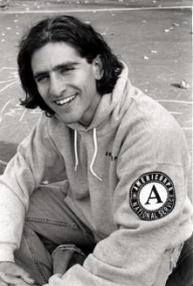


Monthly Reporting



- **PER must be supported by accounting records/general ledger**
 - Include all expenses
 - Data must be accurate

PERs are the foundation for creating the AFR.



Quarterly Reporting



- **AFR tracks all AmeriCorps related expenditures in summary totals**
 - Federal Funding
 - Match Funding
- **AFR Essentials**
 - Due to MCSC by last day of month after quarter ends
 - Submit in OnCorps Reporting System



Critical Elements for Reporting

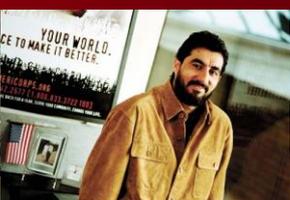
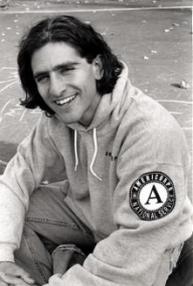
- Timely – Ensure all deadlines are met.
- Accurate – Use accounting data that has been reviewed and reconciled.
- Complete – Reports should contain all pertinent information relating to the appropriate reporting period



Records Retention



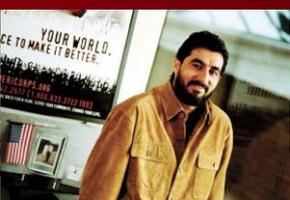
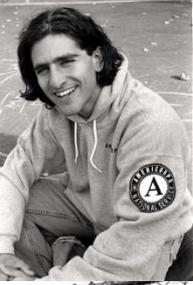
- AmeriCorps Programs must retain all financial records:
 - 3 years from date of submission of final Federal Financial Report.
 - If there is an on-going audit, then 3 years from final audit resolution.



Part 2



Building Your AmeriCorps Budget Application



A Good Budget Design is Essential



A good design will ensure the following:

- Establish realistic scope
- Ensure you've covered the details
- Have a highly competitive proposal
- Compliance with requirements
- Have a solid guide for program execution
- Define expectations

The proposed budget should be sufficient to allow you to perform the tasks described in the narrative.





Functions of your AmeriCorps Budget

- Becomes part of the grantee's contractual obligation
- Serves as a blueprint for the activities supported under the grant
- Helps ensure conformance to provisions and regulatory restrictions
- Used to monitor and measure progress towards meeting matching requirements
- Used to monitor and compare budget to actual expenses.



An effective budget must be:

Realistic

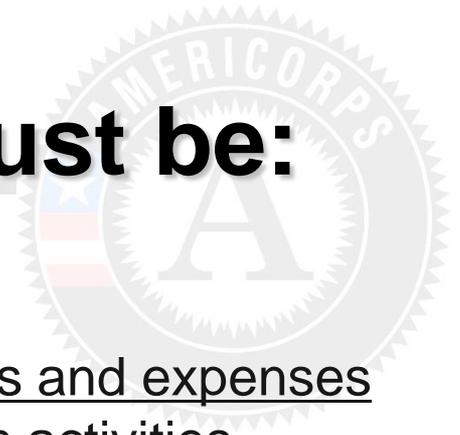
- ❑ Reflects expected program revenues and expenses and its capacity to carry out program activities

Consistent

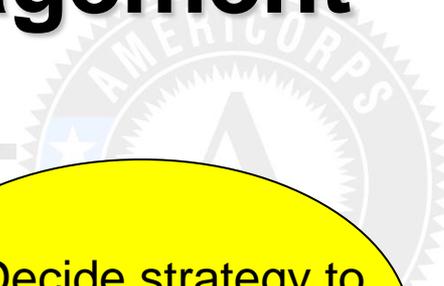
- ❑ Aligned with program's goals and objectives

Flexible

- ❑ A project's financial and operating circumstances can often change and must have a budget that can adapt to changing circumstances



Effective Budget Management



1. Determine needs of community being served

2. Set up program/project goals and objectives

3. Decide strategy to accomplish goals

4. Translate strategy to dollars

5. Prepare budget

6. Set up budget control process

7. Compare budgeted to actual expenses

8. Modify budget as necessary



What are Budget Controls?

- Reviews of budget to actual expenses regularly to avoid cost overruns
 - Joint review by both program and fiscal staff to ensure maximum efficiency
- Identification of expenditures not budgeted to ensure they can be claimed
- Identification of costs that need approval before they are incurred





Budget Management



AmeriCorps programs must obtain prior approval from MCSC for:

- Contracts not included in approved application and budget
- Specific costs described in the Cost Principles
 - For example: overtime pay, rearrangement and alteration costs, and pre-award costs
- Cumulative or aggregate budget line items that amount to 10% or more of the total budget

NOTE: Don't assume approvals have been granted unless documented.



Budget Narrative Preparation

- Review your program/projects goals and objectives
- Estimate the resources needed to achieve program/project goal, e.g.:
 - Members
 - Staff positions
 - Space, utilities, supplies, telephone
 - Medical and liability insurance
 - Uniforms, training, child care
 - Transportation



Budget Narrative Preparation



- Follow instructions in NOFO
- Organize narrative to fit budget categories on budget form or proposal
- Provide adequate descriptions and calculations to support amounts



Budget Narrative Preparation

- Allocate costs based on a consistent and documented cost allocation plan.

The plan can be based on level of effort or usage, for example:

- Level of effort: percentage of time spent on activity X salary
- Rent: total CNCS program space ÷ total host agency space



Key Budgeting Tips



- **Ensure Budget meets CNCS Cost per Member Service Year (MSY) guidelines:**
 - One MSY is equivalent to at least 1700 service hours, a full-time AmeriCorps position
 - The CNCS cost per MSY will be automatically calculated once you enter your budget in eGrants
- Remember: Cost per MSY **does not include** child care or the cost of the education award





Maximum Cost Per MSY

Cost per MSY is determined by dividing the CNCS share of budgeted grant costs by the number of MSYs requested.

MAXIMUMS for 2014-15 Funding Cycle:

- \$13,300
- \$2,000 for Professional Corps Programs



Key Budgeting Tips



As you prepare your budget:

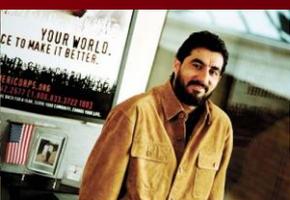
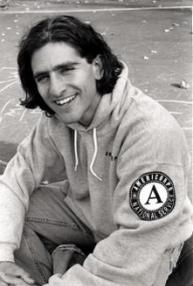
- All the amounts you request must be defined for a particular purpose. Do not include miscellaneous, contingency or other undefined budget amounts.
- Itemize each cost and present the basis for all calculations in the form of an equation.
- Do not include unallowable expenses
- Do not include fractional amounts (cents)



Essence of an AmeriCorps Budget



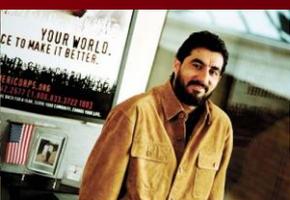
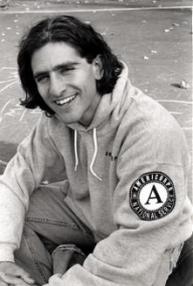
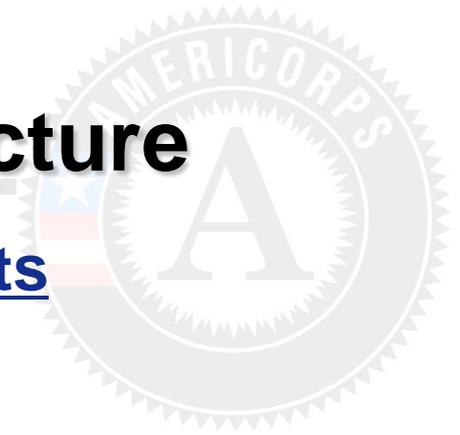
- **Budget is broken down by three sections:**
 - Section I: Program Operating Costs
 - Section II: Member Costs
 - Section III: Administrative Costs
- **Budget is divided into CNCS share and Grantee share. (Grantee Cash and Grantee In-Kind)**



AmeriCorps Budget Structure

Section I: Program Operating Costs

- A. Personnel Expenses
- B. Personnel Fringe Benefits
- C. 1. Staff Travel
- C. 2. Member Travel
- D. Equipment
- E. Supplies
- F. Contractual and Consultant Services
- G. 1. Staff Training
- G. 2. Member Training
- H. Evaluation
- I. Other Program Operating Costs



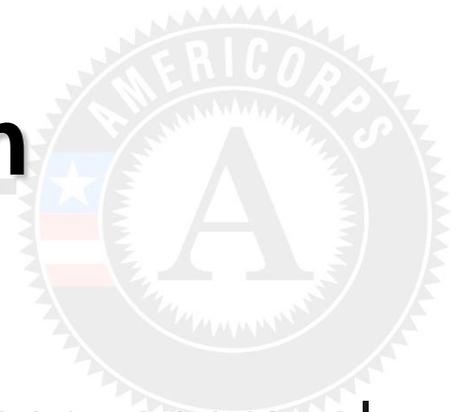
A. Personnel Expenses



- Under “Position/Title Description” list EACH staff position separately and provide salary and percentage of effort as percentage of FTE devote to this award.
- Each staff person’s role listed in the budget must also be described in the application narrative and each staff person mentioned in the narrative must be listed in the budget as either CNCS or Grantee Share.

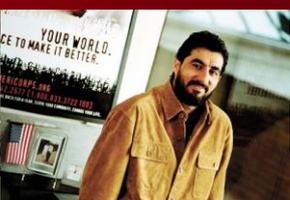
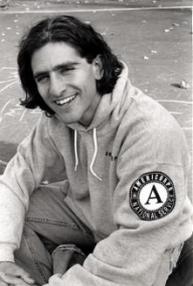


Source Documentation



- Personnel Costs – Salary

- Signed timesheets with supervisory approval
- Quarterly payroll returns (941)
- Payroll register
- Personnel file with salary/wage information
- Employment contract
- Cancelled checks/ Direct Deposit schedule





Staff Activity Reporting Summary



- All salaries and wages charged to AmeriCorps grants must be supported by signed time and attendance records, i.e. timesheets.
- Exceptions:
 - State, Local and Indian Tribe governments must comply with OMB A-87
 - Educational Institutions must comply with OMB A-21





Time and Activity Documentation



- Non-Profit Organizations:

Support of salaries and wages requirements:

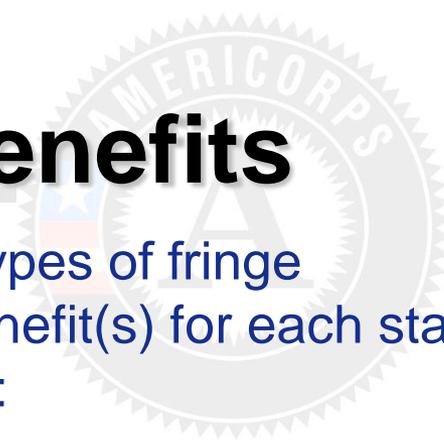
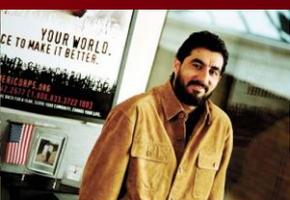
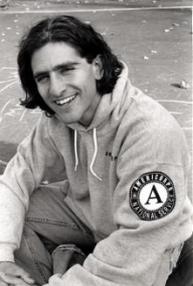
- Must reflect an after-the-fact distribution of each employee's actual activity. (not budgeted)
- Must account for the total activity for which employees are compensated.
- Must be signed by the employee or supervisor having first hand knowledge of employee activities.
- Must be prepared at least monthly and should coincide with one or more pay periods.



B. Personnel Fringe Benefits

- Under “Purpose/Description” identify the types of fringe benefits to be covered and the costs of benefit(s) for each staff position. Allowable fringe benefits include:
 - FICA
 - Worker’s Compensation
 - Retirement
 - SUTA
 - Health and Life Insurance
 - IRA
 - 401K

You may provide a calculation for total benefits as a percentage of the salaries to which they apply or list each benefit as a separate item.

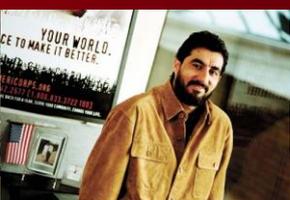
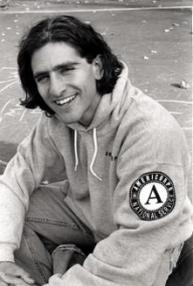


Source Documentation



You must have supporting documents for amounts charged to grants.

- Insurance receipts
- Cost Allocation Plan
- Paid invoices





C.1. Staff Travel



- Describe the purpose for which program staff will travel. Provide a calculation that includes itemized costs for airfare, transportation, lodging, per diem, and other travel-related expenses multiplied by the number of trips/staff.
- Where applicable, identify the current standard reimbursement rate(s) of the organization for mileage and daily per diem.



MCSC Policies Relating to Financials: Mileage Reimbursement

- It is the policy of the MCSC that to be reimbursed for mileage on any reimbursement request, the Program must comply with the state mileage reimbursement rate at the time of mileage accrual.
- The current reimbursement rate can be found on the Office of Administration website:

<http://oa.mo.gov/acct/mileage/index.htm>

January 1 – December 31, 2013:

IRS = 56.5 cents per mile

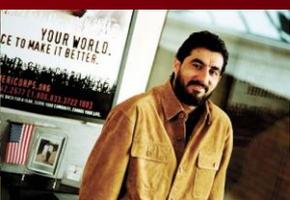
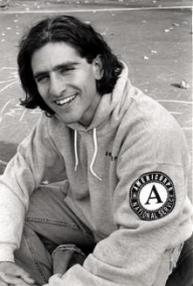
State = 37.0 cents per mile

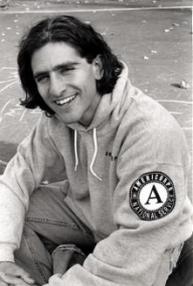


MCSC Policies Relating to Financials: Mileage Reimbursement



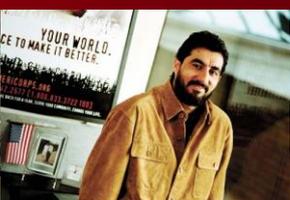
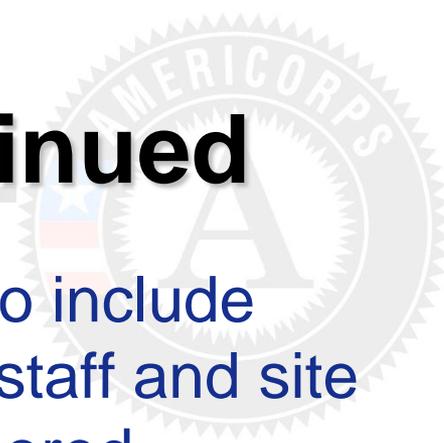
- If you are paying for mileage out of your match funds, or using your mileage for match, you may use any reimbursement rate under 56.5 cents per mile. (federal IRS allowed rate)





C.1. Staff Travel - continued

- The MCSC expects all applicants to include funds in this line item for travel for staff and site supervisors to attend CNCS-sponsored technical assistance meetings.
- Attendance at the National Conference on Volunteerism and Service and/or the Financial Grants Management Institute (as it becomes available) is required once during the 3 year grant cycle. A minimum of \$1,500 per staff person should be included in the budget.





C.2. Member Travel



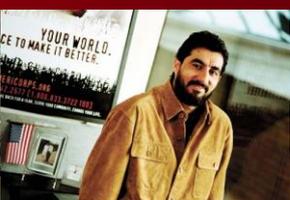
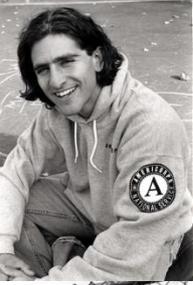
- Describe the purpose for which members will travel.
- Provide a calculation that itemizes costs associated with their required travel. This may include:
 - Local travel – bus passes to local sites, mileage reimbursement for use of car
 - Travel outside their service location – airfare, transportation, lodging, per diem.

As is the case with Staff Travel, you must adhere to the standard reimbursement rate(s) of the organization, if using as match or allowable by MCSC, if claiming from the grant.



MO Specific Instructions

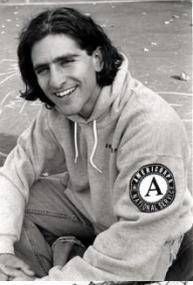
- Statewide Meetings/Training Events: All project budgets should include funds necessary for member and staff travel to statewide meetings and events.



Source Documentation – Staff or Member Travel



- Travel authorizations
- Paid travel-related receipts/invoices
- Per diem rates (applicable for region)
- Mileage calculation
- Travel reimbursement requests
- Reconciliation of advances to payments



D. Equipment



- Equipment is defined as: tangible, non-expendable personal property having a useful life of more than one year **AND** an acquisition cost of \$5,000 or **MORE PER UNIT.**

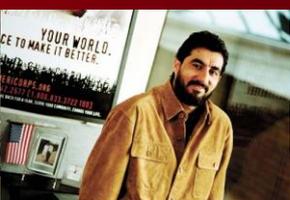
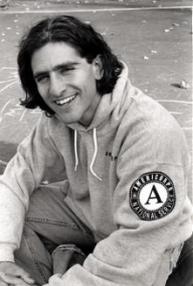
NOTE: Refer to MCSC policy on purchasing equipment.

- Any items that do not need this definition should be entered in E. Supplies.



MCSC Policies Relating to Financials: Purchase of Equipment with Federal Funds

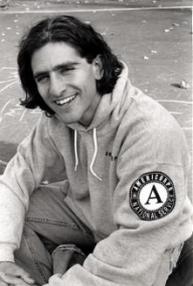
- It is the policy of the MCSC that Programs should not purchase office equipment such as: laptops, printers, copiers and other office equipment **with federal funds.**



MCSC Policies Relating to Financials: Purchase of Equipment with Federal Funds

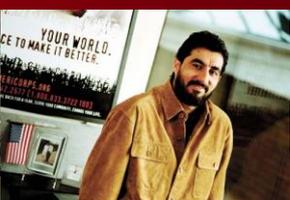
- Equipment Purchase Requirements:
 - At no time should a program reallocate funds to purchase office equipment.
 - Programs must be aware that the use of all grant funds must be in compliance with the CNCS statutes and provisions, as well as MCSC policies.

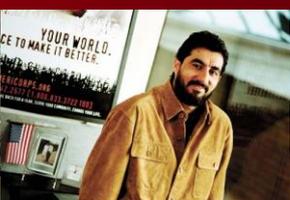
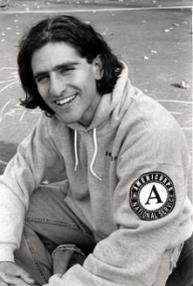




E. Supplies

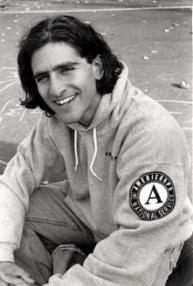
- **Member Service Gear** - AmeriCorps members **MUST** wear an AmeriCorps logo on a daily basis – preferable clothing with the AmeriCorps logo. The logo item is a required budget expense.
- Grantees may add the AmeriCorps logo to their own logo program uniform items using federal funds.
- Except for safety equipment, grantees may only charge the costs of member service gear to the federal share if it includes the AmeriCorps logo.





E. Supplies – continued

- Include the amount of funds to purchase consumable supplies and materials, including member service gear and equipment that doesn't fit the definition given earlier.
- Individually list any single item costing \$1,000 or more.
- All safety gear may be charged to the federal share, regardless of whether it includes the AmeriCorps logo.
- All other service gear must be purchased with non-CNCS funds.



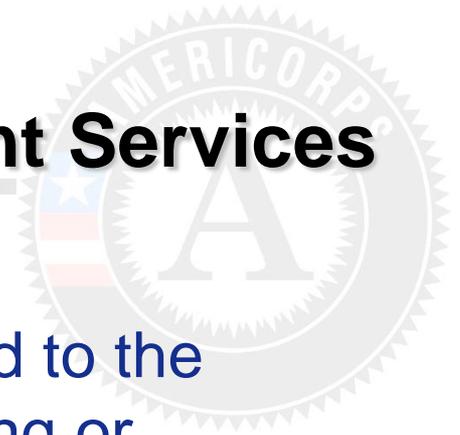
Source Documentation – Supplies

- Paid invoices/receipts that clearly shows amounts
- Cost allocation plan, if used to allocate expenses, that demonstrates consistency of treatment.
- Costs must be uniformly treated for both federally financed and other activities within the organization.





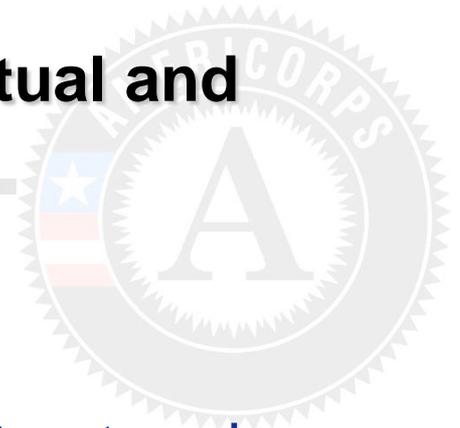
F. Contractual and Consultant Services



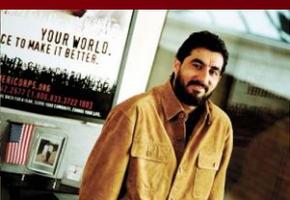
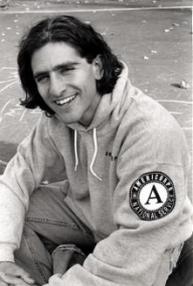
- Include costs for consultants related to the program's operations, except training or evaluation consultants, who will be listed in Sections G. and H.



Source Documentation – Contractual and Consultant Services



Grantee should retain consulting contract and invoices that support work provided.



G.1. Staff Training

- Include the costs associated with training staff on project requirements and training to enhance the skills staff need for effective project implementation.
i.e. project or financial management, team building, etc.
- If using a consultant(s) for training, indicate the estimated daily rate.





G.2. Member Training



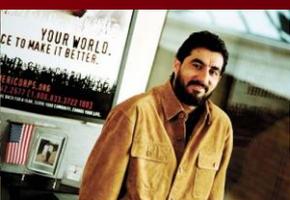
- Include the costs associated with member training to support them in carrying out their service activities.
- You may also use this section to request funds to support training in Life After AmeriCorps.
- If using a consultant(s) for training, indicate the estimated daily rate.



Source Documentations – Staff or Member Training



- Training Documentation –
 - Training agenda
 - Course Description and cost
 - Sign-in sheets (if in-house)
 - Consultant/Trainer Agreement
 - Paid Invoices





H. Evaluation

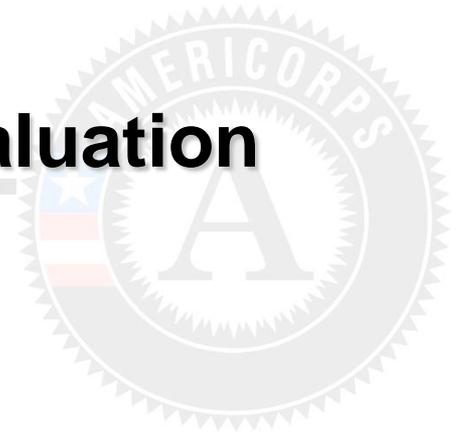
- Include costs for project evaluation activities, including additional staff time or subcontracts, use of evaluation consultants, purchase of instrumentation, and other costs specifically for this activity not already budgeted in Personnel Expense.
- Indicate the estimated daily rate, where applicable.

This cost does not include the daily/weekly gathering of data to assess progress toward meeting performance measures.

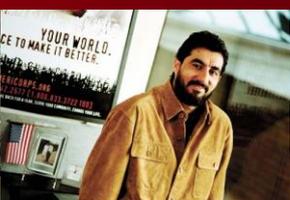
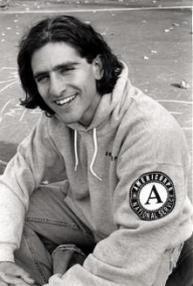
Rather it is a larger assessment of the impact of the project on the community, as well as an assessment of the overall systems and project design.



Source Documentation – Evaluation



- Consultant Agreement
- Paid Invoices
- Evaluation Results
- Other relevant documentation



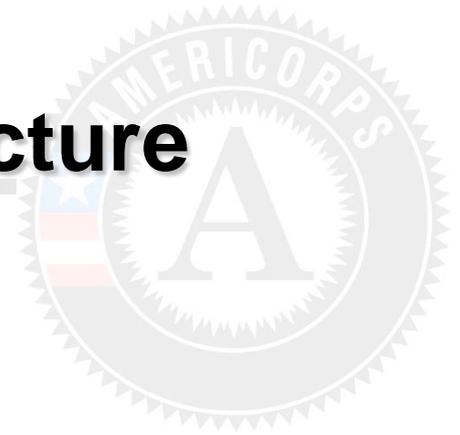


I. Other Program Operating Costs

- Allowable Costs in this budget category should include:
 - Criminal History Background Checks for all members and all employees or other individuals who receive a salary, education award, living allowance, or stipend from the grant (federal or non-federal share)
 - Office space rental for projects operating without an approved indirect cost rate agreement that covers office space.
 - Utilities, telephone, internet, and similar expenses that are specifically used for AmeriCorps members and project staff.
 - Recognition costs for members. List each item with a justification in the budget narrative. Gifts and/or food in an entertainment/event setting are NOT allowable costs.



AmeriCorps Budget Structure



Section II: Member Costs

- A. Living Allowance
- B. Member Support Costs
 - *FICA*
 - *Worker's Compensation*
 - *Health Care*
 - *Other Member Support Costs*





AmeriCorps Members: Terms of Service



AmeriCorps programs provide members who serve
Full-time or Part-time.

- Full time = minimum 1700 hours
 - Half-time = minimum 900 hours
 - Reduced Half-time = minimum 675 hours
 - Quarter-time = minimum 450 hours
 - Minimum-time = minimum 300 hours
-
- Member Service Year (MSY) – One MSY is equivalent to a full-time AmeriCorps position (at least 1700 service hours.)





AmeriCorps Member Benefits

AmeriCorps members receive a living allowance and an education award for post-secondary education expense.

Full-time members minimum living allowance is \$12,100 and maximum is \$24,200.

Programs are not required to provide a living allowance for members serving in less than full-time terms of service. If do so, must comply with maximums at \$12,800, \$9,600, \$6,400 & \$4,300, respectively.

Professional Corps Grantees members must receive a living allowance or salary, which must meet the minimum, but may exceed the maximum living allowance set. Their salaries are paid entirely by the organizations with which the members serve and not included in the budget. In addition, the living allowance provided to AmeriCorps Members does not count toward the match requirement.





Member Living Allowance Disbursement

- A living allowance is not a wage and programs may not pay living allowances on an hourly basis.
- Programs must distribute the living allowance at regular intervals and in regular increments, and may increase living allowance payments only on the basis of increased living expenses.
- Living allowance payments may only be made to a participant during the participant's term of service.
- Living allowance payments must cease when the participant concludes the term of service.





Education Awards



- AmeriCorps Members serving in programs funded with FY2014 dollars who successfully complete a term of service will receive an Education Award from the National Service Trust.

(This doesn't need to be budgeted into your grant.)

- These funds may be used only to pay college costs or to repay qualified student loans.
- Members may earn up to two awards and have seven years to use this benefit.

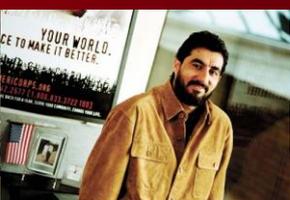
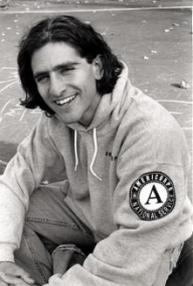


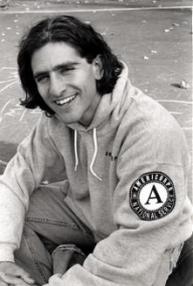
Education Awards



Based upon the PELL Grant, AmeriCorps Member Education Awards earned during service in the 2014-15 Program year will be:

- Full-time = \$5,645
- Half-time = \$2,822
- Reduced Half-time = \$2,150
- Quarter-time = \$1,493
- Minimum-time = \$1,195





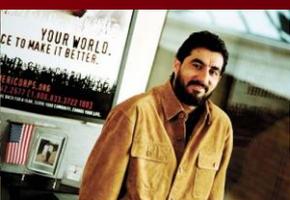
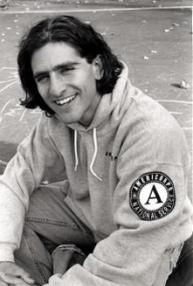
A. Living Allowance

- The narrative should clearly identify the number of members you are supporting by category (i.e. full-time, half-time, reduced half-time, quarter-time and minimum-time) as well as the amount of living allowance they will receive.



B. Member Support Costs

- **FICA** – Unless exempted by the IRS, all project must pay FICA for any member receiving a living allowance even when CNCS does not supply the living allowance.
- In the first column next to FICA, indicate the number of members who will receive FICA.
- Calculate the FICA at 7.65% of the total amount of the living allowance.





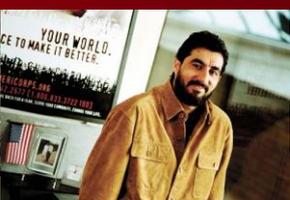
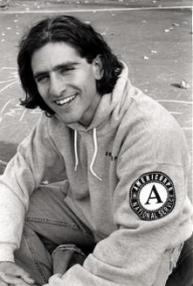
B. Member Support Costs

- **Worker's Compensation** - Some Missouri employers may be required to insure their workers' compensation obligations for AmeriCorps Members. Sub-grantees may consult the Missouri Workers' Compensation Law, Section 287.010, *et seq.*, RSMo or contact the Missouri Department of Labor and Industrial Relations, Workers' Compensation Division at 800-775-2667 to determine worker's compensation requirements.
- If worker's compensation insurance is not required, Sub-grantees must obtain Occupational, Accidental, and Death and Dismemberment coverage for Members to cover in-service injury or incidents.



B. Member Support Costs

- **Health Care** – You must offer or make available health care benefits to Full-Time members in accordance with AmeriCorps requirements. You may not pay health care benefits to less-than-full-time members with CNCS funds, unless they are serving in a full-time capacity for a sustained period of time.
- You may choose to provide health care benefits to less-than-full-time members from other sources (i.e. non-federal) but the cost cannot be included in the budget.
- In your budget narrative, indicate the number of members who will receive health care benefits.
- CNCS will NOT pay for dependent coverage.





B. Member Support Costs

- **Unemployment Insurance and Other Member Support Costs** –The U.S. Department of Labor ruled on April 20, 1995, that federal unemployment compensation law **does not** require coverage for Members because no ‘employer-employee’ relationship exists.
- The sub-grantee may not charge the cost of unemployment insurance taxes to the grant unless mandated by law.
- Include any other required member support costs here.





AmeriCorps Budget Structure

Section III: Administrative or Indirect Costs

Two methods to recover administrative costs:

A. CNCS Fixed 5% Method

- 5% of the total of CNCS funds expended
- Grantee match for administrative costs may not exceed 10% of all direct costs
- No documentation supporting allocation is required

B. Federally Approved Indirect Cost Rate Method

- Requires approved rate from Federal government
- Approved rate constitutes documentation of costs, including the 5% maximum payable by CNCS





1% to MCSC for Compliance Costs

Administrative Costs (Section III):

Applicants *MUST* include an additional 5% of the overall federal share as a separate Administrative Cost line item.

- Approximately 4% is included as the program's CNCS Fixed Costs and the remaining **1% is for the Commission Fixed Costs.** (Details of the cost equation are included in Section III.A of the CNCS Application Instructions.)

Special Note: Organizations with a Federally Approved Indirect Cost Rate are exempt from the 1% Commission Fixed Cost requirement. Documentation verifying a Federally Approved Indirect Cost Rate must be submitted to the MCSC.



Budget – Final Review Checklist

- Is the budget presented in the format and forms required by CNCS?
- Is the budget consistent with CNCS's guidelines?
- Are all cost calculations clearly described and correct if duplicated?
- Do the costs on all the budget forms, justification and supporting documentation agree?
- Does the budget cover all the project costs, CNCS funds, and match?
- Does the budget cover required costs, for example, program evaluation?



Budget – Final Review Checklist

- Is there adequate explanation for budget items?
- Are all projected costs in the budget allowable?
- Have the appropriate fringe and indirect cost rates been used?
- Have sub-grantees' proposals been reviewed, budgets checked, etc.?
- Do sub-grantee costs apply consistent match requirements and indirect cost limitations?
- Is the budget realistic, reasonable, credible, and aligned with program goals?
- Is the budget within the MSY limit?





Resources



Preparing the Grant Budget for AmeriCorps Programs:
Learn about budget development with a focus on preparing and administering a Corporation for National and Community Service grant budget for an AmeriCorps program.

Log in to the Online Learning Center to access this course:
<http://learning.nationalserviceresources.org/login/index.php>





Contact the MCSC

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Questions?

