Financial Management Training, Part II
2017-2018

Presented by:
Jerron M. Johnson, Chief Field Program Officer
Missouri Community Service Commission
Session Topics

- Recap: Sub-grantee Responsibilities
- Recap: Financial Management System Requirements
- Financial Reporting Requirements (Missouri)
- Financial Policies & Procedures (Missouri)
- Common Issues
Sub-grantee Responsibilities

The sub-grantee (program)...

Has full fiscal and programmatic responsibility for grant and program management;

Is accountable to the Missouri Community Service Commission (MCSC) for the operation of the program and the use of grant funds;

Must expend grant funds in a judicious and reasonable [and allowable] manner; and

Must accurately record service activities and outcomes achieved under the grant award as outlined in the grant application.

The sub-grantee is encouraged to seek the advice and/or opinion of MCSC staff as special issues arise; however, such advice does not diminish the sub-grantee’s responsibility for making sound judgments and does not shift responsibility for operating decisions to MCSC staff.
Financial Management System Requirements

General Requirements

Adhere to generally accepted accounting principles (GAAP)

Ensure internal controls (checks and balances)

Maintain a clear audit trail (source documentation)

Provide for written cost allocation procedures

Detailed financial management system requirements are outlined in the Financial Management Capability Survey completed with initial submission of your grant application.
Financial Management System Requirements

**Transaction-Level Requirements**

- Distinguish expenditures attributable to the award from those not attributable to the award
- Identify expenditures by program/fiscal year
- Identify expenditures by budget category
- Differentiate between CNCS share costs and match (cash/in-kind) costs
- Differentiate between direct and indirect costs
Financial Reporting Requirements

<table>
<thead>
<tr>
<th>Periodic Expense Report (PER) &amp; Request for Reimbursement</th>
<th>Due monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deadline:</strong> By the 15th of the month following the month in which grant funds were expended (e.g. The PER and request for reimbursement for August 2017 expenditures will be due by September 15.)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Aggregate Financial Report (AFR)</th>
<th>Due quarterly</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quarter</strong></td>
<td><strong>Time Period</strong></td>
</tr>
<tr>
<td>1st Quarter (Q1)</td>
<td>Grant Start Date – December 31</td>
</tr>
<tr>
<td>2nd Quarter (Q2)</td>
<td>January 1 – March 31</td>
</tr>
<tr>
<td>3rd Quarter (Q3)</td>
<td>April 1 – June 30</td>
</tr>
<tr>
<td>4th Quarter (Q4)</td>
<td>July 1 – Grant End Date</td>
</tr>
</tbody>
</table>

*Do not confuse these deadlines with progress reporting deadlines.*
Periodic Expense Report (PER)

• Guidelines
  – PERs must be submitted on a **monthly basis**.
  – Financial reporting must be on a **cash basis**; not accrual (although your accounting system may be on an accrual basis).
  – A complete PER includes the following **components**:
    • **PER Roadmap** (required)
    • **Source Documentation** (required)
    • **General Ledger Report** (preferred; required if used as a source document)

The PER should be submitted in OnCorps Reports. The PER components noted above may be scanned/emailed or mailed via postal carrier or delivery service to your assigned MCSC program officer.
Guidelines for completing the PER Roadmap:

- Itemize each expenditure.
- List each expenditure in the appropriate budget category.
- Provide a clear description of the expenditure.
- If an expenditure is allocated, include the equation with the expenditure description.
- List the expenditure in the appropriate share (CNCS, Grantee Cash, or Grantee In-kind).
- Check and double-check your math.

Refer to the PER Roadmap handout.
Source Documentation (required)

- **Guidelines for source documentation:**
  - Source documentation must support expenditures itemized in the PER Roadmap.
  - Applies to CNCS, Grantee Cash, and Grantee In-kind expenditures.
  - Applies to expenditures that are program operating costs (Section I) and Member support costs (Section II).
  - Administrative/indirect costs (Section III) **does not** require documentation.
  - **NOTE:** Please label your source documentation and/or submit source documentation in the order of itemized expenditures on the PER Roadmap.

Refer to the **Documentation of Expenditures** handout.
General Ledger (preferred/required)

- **Guidelines for the general ledger:**
  - The general ledger allows MCSC to:
    - Compare/reconcile expenditures listed on the PER Roadmap to expenditures listed in your financial system; and
    - Ensure that your financial system adheres to the basic requirements previously outlined.
  - Your financial system should be able to print a report specific to your coding used for AmeriCorps grant expenditures and the applicable month.
  - MCSC strongly recommends that you provide your general ledger to assist our review of your PER. However, it is required if used as source documentation.
Guidelines for submitting monthly PERs:

- Before entering the first PER, you must enter your approved budget in eGrants. \((Approved \ budget = budget \ approved \ in \ eGrants)\)
- In OnCorps, go to Financials → Submit Reports → Periodic Expense Report.
- Select the appropriate financial period.
- Enter your expenditures.
- Review the PER summary (next slide).
- Submit for approval by MCSC.
The sub-grantee **MAY NOT** claim costs from Commission Fixed Cost. This is the commission’s 1.05% retainer. The sub-grantee will never claim expenditures from this line item.
The sub-grantee should review this section for compliance before submitting. Anything marked (NO) requires justification in the Additional Comments field.
Guidelines for the request for reimbursement:

- Submit the applicable PER in OnCorps Reports.
- Submit the PER Roadmap, source documentation, and general ledger via email or USPS/carrier service.
- Submit the Request for Reimbursement (RFR) Coversheet with an original signature in blue ink via USPS/carrier service. Scanned or faxed RFR coversheets will not be accepted.

Refer to the 2017-18 AmeriCorps Request for Reimbursement Form handout.
Aggregate Financial Report (AFR)

• Guidelines
  – AFRs must be submitted on a **quarterly basis**.
  – The PERs applicable to the designated quarter must be approved in order for the sub-grantee to complete and submit the AFR.
  – *If needed, a tutorial is available in OnCorps Reports → Help → Help Resources and Tutorials.*

The AFR should be submitted in OnCorps Reports. Submission of hard copies of the AFR is **not** required.
The policies and procedures outlined in the subsequent slides are to assist you with compliance with financial rules, regulations, and requirements.

The program director and fiscal officer, at a minimum, must be aware of these policies and procedures.

Note that ongoing, open, and clear communication with your assigned MCSC program officer is key to your success.

The Program Director’s Handbook may be used as a reference. Financial policies are included in MCSC Policies & Procedures, which are the green pages in the Oversight & Monitoring section.
Deadline Extension Request

• Guidelines to request a deadline extension:
  – The request must be made **prior to** the reporting deadline.
  – The request must be submitted **in writing** to your assigned MCSC program officer. Email is acceptable.
  – The written request must include:
    • A justification for why the deadline extension is needed; and
    • The anticipated date by which the report will be submitted.

Note that submission of a deadline extension request does not guarantee its approval. The approval of a deadline extension request, including the anticipated submission date proposed by the sub-grantee, is at the discretion of MCSC.
**Budget Modification**

- **Guidelines for a budget modification:**
  - The budget modification must have prior approval from the assigned MCSC program officer.
  - The reallocation must adhere to applicable rules and regulations.
  - The cumulative amount of all budget modifications may not exceed 10% of the total budget.
  - Funds may only be reallocated in direct costs (Sections I and II of the budget).
  - Funds may not be moved from Grantee to CNCS share or vice versa.

Detailed justification for a budget modification should be submitted via email to your MCSC program officer for pre-approval. The budget modification must be submitted in OnCorps Reports for final MCSC review and approval.
Grantee Match Requirement

- All sub-grantees must satisfy the **minimum required match** (outlined below) based on year of funding.
- All sub-grantees should strive to satisfy the **budgeted match** (which may be greater than the minimum required match) since this is part of the sub-grantee’s project proposal.
  - If the sub-grantee **will not** satisfy its budgeted match, the sub-grantee should notify the assigned MCSC program officer and provide a justification.

<table>
<thead>
<tr>
<th>Years</th>
<th>Year 1-3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Year 8</th>
<th>Year 9</th>
<th>Years 10+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24%</td>
<td>26%</td>
<td>30%</td>
<td>34%</td>
<td>38%</td>
<td>42%</td>
<td>46%</td>
<td>50%</td>
</tr>
</tbody>
</table>
Missouri-specific Financial Policies

- The sub-grantee is responsible for reviewing and adhering to the Missouri-specific financial policies outlined in the Program Director’s Handbook.

- Missouri-specific financial policies highlighted in this session include:
  - Equipment Purchases
  - Reimbursement for Mileage, Meals, and Lodging
  - Member Living Allowance Distribution
  - Member Disciplinary Fines
  - Records Retention
Equipment Purchases

• **Equipment (definition)**
  – Tangible, non-expendable personal property
  – Useful life of 1 year or more
  – Per unit acquisition cost of $5,000 or more (federal) or $1,000 or more (Missouri)

• **Policy**
  – The sub-grantee may not, under any circumstance, purchase equipment with federal (CNCS) funds.
  – The sub-grantee may not reallocate funds to purchase office equipment.
  – Items with a per unit acquisition cost of less than $1,000 should be categorized as Supplies.
Mileage Reimbursement

- Mileage may be charged to **CNCS Share** up to the Missouri standard mileage rate.
- Mileage may be charged to **Grantee Share** up to the federal standard mileage rate (IRS).

<table>
<thead>
<tr>
<th>Mileage Rates</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Missouri</td>
<td>$0.37 / mile</td>
</tr>
<tr>
<td>IRS/Federal</td>
<td>$0.535 / mile*</td>
</tr>
<tr>
<td></td>
<td><em>(effective 1/1/2017 – 12/31/2017)</em></td>
</tr>
</tbody>
</table>

*The federal mileage rate is subject to change effective 1/1/2018.*
Meals (Per Diem) Reimbursement

- Meals for grant-related travel, meetings, or events within the State of Missouri may be charged to **CNCS share** and reimbursed up to the Missouri per diem rates:

<table>
<thead>
<tr>
<th>Locality</th>
<th>Breakfast</th>
<th>Lunch</th>
<th>Dinner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbia</td>
<td>$6</td>
<td>$10</td>
<td>$18</td>
</tr>
<tr>
<td>Jefferson City</td>
<td>$6</td>
<td>$10</td>
<td>$18</td>
</tr>
<tr>
<td>Kansas City</td>
<td>$8</td>
<td>$12</td>
<td>$24</td>
</tr>
<tr>
<td>Springfield</td>
<td>$6</td>
<td>$10</td>
<td>$18</td>
</tr>
<tr>
<td>St. Louis</td>
<td>$6</td>
<td>$11</td>
<td>$20</td>
</tr>
<tr>
<td>Other</td>
<td>$6</td>
<td>$10</td>
<td>$18</td>
</tr>
</tbody>
</table>
Lodging Reimbursement

- Lodging for grant-related travel, meetings, or events within the State of Missouri may be charged to **CNCS share** and reimbursed up to the CONUS rate:

<table>
<thead>
<tr>
<th>Primary Destination</th>
<th>Counties</th>
<th>Max Lodging (excluding taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Rate</td>
<td>Applies to all locations without specified rates</td>
<td>$91</td>
</tr>
<tr>
<td>Kansas City</td>
<td>Jackson, Clay, Cass, Platte</td>
<td>$117</td>
</tr>
<tr>
<td>St. Louis</td>
<td>St. Louis, St. Louis City, St. Charles, Crawford, Franklin, Jefferson, Lincoln, Warren, Washington</td>
<td>$125</td>
</tr>
</tbody>
</table>
Member Living Allowance

• Special Circumstances
  – If a Member is selected after the program’s start date, the sub-grantee may not increase the incremental living allowance payment or provide a lump sum to make up any missed payments.
  – If a Member serves all required hours and is permitted to conclude his/her term of service before the originally agreed upon completion date, the sub-grantee may not provide a lump sum payment to the Member for any remaining living allowance.
## Member Living Allowance

<table>
<thead>
<tr>
<th>Member Situation</th>
<th>Service Term</th>
<th>Monthly Amount</th>
<th>Total Living Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member A starts and finishes on time.</td>
<td>10 months</td>
<td>$1,263</td>
<td>$12,630</td>
</tr>
<tr>
<td>Member B starts on time and finishes one month early.</td>
<td>9 months</td>
<td>$1,263</td>
<td>$11,367</td>
</tr>
<tr>
<td>Member C starts late and finishes late.</td>
<td>10 months</td>
<td>$1,263</td>
<td>$12,630</td>
</tr>
<tr>
<td>Member D starts on time but finishes one month late.</td>
<td>11 months</td>
<td>$1,263</td>
<td>$12,630</td>
</tr>
<tr>
<td>Member E starts one month late but finishes on time.</td>
<td>9 months</td>
<td>$1,263</td>
<td>$11,367</td>
</tr>
</tbody>
</table>
Member Disciplinary Fines

- Member disciplinary fines as a consequence/penalty of noncompliance with program policies/procedures must adhere to the following:
  - The sub-grantee must have a written policy for fines that is shared with Members at the commencement of service.
  - Fine amounts should be reasonable based on the living allowance.
  - Fines may only be deducted from Grantee share of the living allowance. Deducting fines from CNCS share of living allowance is unallowable.
- This also applies to any other wage garnishment (e.g. child support).
Records Retention

- Grant-related financial records should be retained:
  - A minimum of 3 years after the submission date of the Commission’s final financial report for a prime grant; or
  - If there is an ongoing or unresolved audit at the end of the retention period, then records shall be retained until the audit is resolved and final action taken.

- Additional Notes:
  - MCSC recommends retaining Member records for 7 years after the completion of the Members’ term of service (life of the education award).
  - The records retention policy applies regardless of the organization’s subsequent funding status.
# Common Issues

<table>
<thead>
<tr>
<th>Issue or Error</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living allowance payments are inconsistent or fluctuate.</td>
<td>Adhere to the living allowance distribution policy outlined in MCSC Policies and Procedures (Program Directors Handbook).</td>
</tr>
<tr>
<td>Costs are claimed from Commission Fixed Costs.</td>
<td>Sub-grantee admin/indirect costs are claimed from CNCS Fixed Costs. Commission Fixed Costs are the 1.05% retainer used by MCSC for oversight and monitoring. Use of Commission Fixed Costs will not be reflected in your PERs.</td>
</tr>
<tr>
<td>Incorrect math <em>(e.g. incorrect allocations, totals, mileage calculations, etc.)</em></td>
<td>Double check math before submitting financial reports to MCSC.</td>
</tr>
</tbody>
</table>
# Common Issues

<table>
<thead>
<tr>
<th>Issue or Error</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>The financial report or its components are submitted late without prior notification or an approved deadline extension.</td>
<td>MCSC values communication. If components of a financial report will be late, contact your assigned MCSC program officer. If you cannot submit a report by the specified deadline, request a deadline extension per MCSC policy.</td>
</tr>
<tr>
<td>The request for reimbursement coversheet is not submitted with an original signature.</td>
<td>Source documentation may be submitted via email. However, the RFR coversheet requires an original signature (<em>in blue ink</em>) and should be mailed to MCSC. Scan or fax copies of the RFR coversheet will not be accepted.</td>
</tr>
</tbody>
</table>
## Common Issues

<table>
<thead>
<tr>
<th>Issue or Error</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member hours are not current in OnCorps.</td>
<td>Members should submit hours regularly per the sub-grantee’s timekeeping policy. Site supervisors should review and approve timesheets regularly. <em>(MCSC expects that no more than 200 hours per Member will be pending approval during monthly desk monitoring.)</em></td>
</tr>
<tr>
<td>Members do not appear to be on track to successfully completing the term of service.</td>
<td>The sub-grantee should monitor Member hours to ensure successful completion of the term of service. If a Member is behind, a performance plan should be developed as a corrective action. <em>(MCSC expects that no more than 45 hours for FT or 25 hours for less-than-FT ACMs will be needed per week to complete the term of service.)</em></td>
</tr>
</tbody>
</table>
MAILING ADDRESS:
Harry S. Truman State Office Building
301 W. High Street, Room 770
P.O. Box 118
Jefferson City, MO 65101-1517

CONTACT INFORMATION
Don Stamper, Executive Director
(573) 751-5012, don.stamper@ded.mo.gov

Jerron M. Johnson, Chief Field Program Officer
(573) 526-0464, jerron.johnson@ded.mo.gov

Christine Gardner, Field Program Officer/Events Coordinator
(573) 526-7559, christine.gardner@ded.mo.gov

Kristen Schaben, Field Program Officer
(573) 751-6777, kristen.schaben@ded.mo.gov

Lori Williams, Field Program Officer
(573) 522-9477, lori.williams@ded.mo.gov