AmeriCorps Financial Management Training
Part 1a
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Introductions

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Housekeeping

- Please don’t put on hold
- Mute phone to minimize background noise
  - Everyone muted at start
- Recording session
- Q&A to ask questions
- Parking Lot
- Learning can be fun
- Mentimeter
How much does a polar bear weigh?

- 15%: 330-550 lbs
- 50%: 850-900 lbs
- 35%: Enough to break the ice

Go to www.menti.com and use the code 617407
Learning Objectives

• Utilize budget as a monitoring tool.
• Understand what defines appropriate expenses for AmeriCorps program grants.
• Identify appropriate and complete financial documentation.
• Understand budgetary controls.
Monitoring Toolkit
What’s in the Toolkit

- Budget is a part of the grantee’s contractual obligation.
- Serves as a guide for the activities supported under the grant.
- Helps ensure conformance to terms & conditions and regulatory restrictions.
- Used to monitor and measure progress towards meeting matching requirements.
- Used to monitor and compare budget to actual expenses (Federal & Matching Funds).
The budget process should be a team effort that includes relevant stakeholders:

- Board of Directors (Community Based Organizations, Other Non-profits)
- Executive Director
- Project Director
- Project Staff
- Fiscal Staff
- Program Advisory board

Team should all be familiar with relevant rules and regulations
Order of Precedence

- National Service Laws
- Code of Federal Regulations (CFR 45)
- CFR 2 (formerly OMB circulars)
- State & Local Regulations
- Notice of Grant Award & Terms and Conditions
- Application Guidance
• Developed in accordance with application instructions, using the required line items.
• Developed based on program need.
• Costs must be \textit{allowable, reasonable, necessary, allocable}.
• Budget narrative should provide a level of detail that:
  - Explains unusual costs
  - Explains unexpected costs
  - Explains high dollar costs
  - Provides calculations and/or justifications
Cost Principles (CFR 2)

- Used to determine the appropriate costs incurred by organizations under grants or contracts.
- Principles are designed so that Federal awards bear their fair share of the cost.
- Information about factors that affect allowability and information about reasonable, necessary, and allocable 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**.
Appropriate Costs, Part 2

- Be in accordance with Generally Accepted Accounting Principles (GAAP). [www.fasb.org/home](http://www.fasb.org/home)

- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program.

- Be adequately documented.
Allowable

• Conform to any limitation or exclusion set forth in the Code of Federal Regulations/OMB Cost Principle Circulars or in the award as to types or amount of cost items.

• Be determined in accordance with Generally Accepted Accounting Principles.
A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs.
Necessary

- The cost is of a type generally recognized as ordinary and necessary for the operation of the organization or the performance of the award.
Allocable

• A cost is allocable to a particular cost objective (such as a grant, contract, project, service, or other activity) in accordance with the relative benefits received.

• A cost is allocable to a Federal award if it is treated consistently with other costs incurred for the same purpose in like circumstances.
Pop Quiz

In the following scenarios, determine if costs are:

- Allowable
- Reasonable
- Necessary
- Allocable
Scenario 1

- An AmeriCorps staff member is flying to a required CNCS regional training. The staff person purchases an upgrade in seating assignment.
Is the seating upgrade....? (Check all that apply.)

- Allowable: 1
- Reasonable: 9
- Necessary: 0
- Allocable: 2
- All of ’em: 2
- None of ’em: 21
Scenario 2

- AmeriCorps program hires a local band play at their annual member recognition event.
Is hiring the band....? (Check all that apply.)
Scenario 3

FoodCorps program is hosting a training and is providing a meal for participants.
Is providing a meal...? (Check all that apply.)

- Allowable: 5
- Reasonable: 0
- Necessary: 0
- Allocable: 0
- All of 'em: 28
- None of 'em: 0
Scenario 4

Conservation AmeriCorps program provides tablets to all Field Team members.
Is providing tablets...? (Check all that apply.)

- Allowable: 1
- Reasonable: 1
- Necessary: 0
- Allocable: 0
- All of ’em: 17
- None of ’em: 12
Scenario 5

ABC AmeriCorps program purchases a van as part of their truancy program, so Members can pick up youth at their homes & take them to school.
Is buying a van....? (Check all that apply.)
Commission Role

- Commission becomes involved in the budget process during clarification, negotiation, and if you request budget changes throughout the grant cycle.

- Role of Grant Officers.

- Partnership between grantees and grant officer (and CNCS grant officers).
Budget Flexibility

- It is permissible to move funds between line items without approval from CNCS when:
  1) The **total** cumulative fund transfer will not exceed 10% of the grant or $10,000.
     - Does not apply to budgets of less than $100,000.
  2) The transfers would not create a new line item.
  3) There is no change in project scope or in key staff.
- Although CNCS approval is not required when these conditions apply, it is a good practice to notify grant officer of any change to the budget.
Budget Amendments

• Commission approval is required when you do not meet previously stated conditions.

• When changes to the budget require approval from the Commission via eGrants, these revisions may occur any time during the approved budget period.

You can prevent major revisions and under expending by reviewing your budget each month.
Fiscal Reporting

Critical Elements for Financial Reporting

• **Timely** – Ensure all deadlines are met.

• **Accurate** – Use data from your agency’s accounting system (general ledger should be the primary source for documentation of project expenditure).

• **Complete** – Ensure reports contain all pertinent information relating to reporting period (match and/or income is often erroneously omitted).
Financial Reports, Part 2

How do I to submit financial reports?

• Submit spreadsheet template to Commission Staff.
• Once approved, submit in OnCorps.

Who reviews them?

• Identified Commission staff (identified in grant agreement).
• Critically important to know who you are reporting to – consult with your Commission.
Pop Quiz

Where do you find...?
What is okay to include in an AmeriCorps program budget?
When to send fiscal reports?

- Program contract or agreement: 28
- General Ledger: 2
- Haven't a clue: 1

Go to www.menti.com and use the code 617407
Where does the value of expenditures in fiscal reports come from?

- General Ledger: 23
- Program contract or agreement: 2
- Organization’s policies: 2
- Grant Application and Instructions: 0
- Code of Federal Regulations (CFR): 0
- Assurances and Certifications: 0
- Haven’t a clue: 0

Go to www.menti.com and use the code 617407
Who can sign requests for reimbursement?
Who can approve program budget changes?

- Program contract or agreement: 13
- Grant Application and Instructions: 8
- Organization’s policies: 4
- General Ledger: 0
- Code of Federal Regulations (CFR): 0
- Assurances and Certifications: 0
- Haven't a clue: 0

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Financial Reports, Part 1

What are they?

- Reports used to determine the grant’s financial progress.

When is it due?

- Due dates vary by report type (noted in your funding contract).
- Expenditure reports, drawdowns (typically monthly) Aggregate and revenue reports according to agreement (typically quarterly).
Fiscal Reporting – Source Documentation

- Ensure proper and complete documentation (invoices, checks, receipts, timesheets/certifications, etc.) in the files to support all information reported on the periodic expense and aggregated financial reports.

- All financial reports should be prepared with information that is obtained directly from the organization’s accounting system.

- Conduct a review and reconciliation of the information to ensure accuracy prior to report submission.
Documentation Examples

Salary
Benefits
Travel
Supplies
Contract & Consultant
Training
Evaluation
Admin
Identifying Documentation

Salary

- Signed timesheets with supervisory approval
- Payroll register
- Personnel file with salary/wage information
- Employment contract
- Cancelled checks/Direct deposit schedule
Stipends

- Stipend not prorated for sick days, holidays, or office/organization closures.
- Not hourly – may not deduct for lateness
- Suspension of member
  - No stipend paid
  - Service hours not accrued
- Temporary withhold stipend if timesheet not submitted.
- *Included in Member Contract.*
Payroll Systems & Stipends

• Statutory employee classification
  – Withholdings only for Social Security and Medicare
Unemployment

- Federal level
  - Unemployment compensation does not apply.
    
    [Link](http://workforcesecurity.doleta.gov/dmstree/uipl/uipl95/uipl_2595.htm)

- State level
  - Some states view AmeriCorps service as employment in the unemployment compensation context, and others do not.
All salaries and wages charged to grants must be supported by signed time & attendance records, i.e., timesheets.

Exceptions:

- State, Local and Indian Tribal governments must comply with requirements of 2 CFR 225 (Formerly OMB A-87).
- Educational Institutions must comply with requirements of 2 CFR 220 (Formerly OMB A-21).
Identifying Documentation

Benefits

- Insurance policy
- Paid invoices and receipts
- Cost allocation plan or Indirect Cost Rate documentation

Fringe benefits are allowable, provided that they are in proportion to the relative amount of time or effort actually devoted to the AmeriCorps program and consistent with organization’s policies.
Identifying Documentation

Travel

- Authorization/reimbursement request:
  - Organization must have written policies on how to authorize and reimburse travel.

- Paid invoices and receipts

- Per diem rates (applicable for area)

- Mileage calculation

- Reconciliation of advances to payments

*Travel costs must not exceed charges normally allowed by the organization in its regular operations based on the organization’s written travel policy.*

Per Diem Rates

Rates are set by fiscal year, effective October 1 each year. Find current rates in the continental United States ("CONUS Rates") by searching below with city and state (or ZIP code), or by clicking on the map, or use the new Per Diem tool to calculate trip allowances.

Search by City, State or ZIP

For Fiscal Year: 2018 (Current Year)

Select a State

City (optional)

OR

ZIP

Search by State

For Fiscal Year: 2018 (Current Year)

Find Rates

Questions

For all travel policy questions, email travelpolicy@gsa.gov.

Tax Questions?

Have a question about per diem and your taxes? Please contact the Internal Revenue Service at 800-829-1040 or visit www.irs.gov. GSA cannot answer tax-related questions or provide tax advice.
To determine what county a city is located in, visit the [National Association of Counties (NACO) website](http://www.naco.org) (a non-federal website).

**October 2017 - September 2018** You searched for: Missouri Max lodging by month (excluding taxes.) The last column is the Meals and Incidental Expense (M&IE) rate.

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Identifying Documentation

Supplies

- Purchase orders
- Packing slips
- Paid receipts and invoices
- Donated Supplies, i.e., in-kind documentation
Identifying Documentation

Contract & Consultant

- Purchase orders
- Signed agreements
- Paid invoices and receipts

CNCS no longer has a daily maximum consultant fee – Consultant fee must be reasonable & necessary.
Training

☑ Agenda
☑ Course description, cost for course
☑ Participant Sign-in sheet
☑ Consultant/Trainer agreement
☑ Paid invoices and receipts
Identifying Documentation

Evaluation

☑ Purchase orders
☑ Signed agreement/contract
☑ Paid invoices and receipts
☑ Final copy of the evaluation report
Retaining Source Documentation

Retain all financial records:

- 3 years from date of submission of **final** Federal Financial Report.
- 3 years from **final** audit resolution when there is an on-going audit.
- Record Retention FAQ-F. 11 – More details

www.nationalservice.gov/sites/default/files/upload/policy%20FAQs%207.31.14%20final%20working%20hyperlink.pdf
Fiscal Reporting – Late Reporting

• Communication
  – Ensure you have a good flow of communication between program and fiscal staff.
  – Keep your program and grants officers in the loop.

• Extensions

• Consequences – Specific to Commission policies
  – Withholding of Funds (after 45+ days late)
  – Risk Status
  – Consideration for continuation/reappplication
Drawing Down Funds

- Funded programs may not be pre-paid for expenditures and are therefore reimbursed after expenditure reports are approved.
- Drawdowns should match timing of allowable program expenditures.
  - Example: A monthly drawdown submitted immediately after monthly expense report approval.
Budget Controls

- Reviews of budget to actual expenses regularly to avoid cost overruns.
- Identification of expenditures that may not be budgeted to ensure they are not included (or determine if they can be claimed).
- Identification of expenditures that may need approval before being claimed.
Key Budgetary Controls

Budgetary controls include:

• Regular monitoring of budgets to actual, year-to-date, and current period expenditures or outlays.
• Explain any budget variations that are unexpected or unusual and determining necessary adjustments.
• Ensure compliance with laws, regulations, and CNCS terms & conditions, particularly matching percentage requirements.
• Request prior approvals for modification, if necessary.
• Assure budget changes are properly approved.
Above all else...

- Revisit and understand the award, terms & conditions, and award requirements frequently throughout the grant period.
- Revisit your budget...it’s a navigation tool!
Additional Resources

• Handout
  – Internal Controls - Policies and Procedures

• Colleagues
  – Network and share best practices with other grantees

• Commission Staff

• CNCS Staff
  – Program Officer
  – Grants Management Specialist
Fiscal Management Part 1b

- Match
- Common compliance issues
- More pop quizzes!
Resources

- PDF of today’s presentation
- Stipend & Unemployment FAQs
- Maintaining & Retaining Source Documentation
- Internal Controls – Policies & Procedures