AmeriCorps Financial Management Training
Part 1b

July 19, 2018
Hello Again

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Housekeeping

- Please don’t put on hold
- Mute phone to minimize background noise
  - Everyone muted at start
- Ask questions or make comments by using Q&A
- Presentation & handouts emailed to participants
- Parking Lot
- Learning can be fun
What color is the "black box" in an airplane?

- Black: 41%
- Orange: 31%
- Transparent: 7%
- Yellow: 21%
Parking Lot

- Can the purchase of the van be used as match?
- On the GL, for the AmeriCorps grant, not the entire program, do you want to see the match expenses or should that just be shown on the GL for the overall program.
- Depending on how they complete W-4 and G-4 forms, can’t more be taken out? If they have deductions?
Learning Objectives

- Navigate match using your budget.
- Identify difference between Federal and local share.
- Understand requirements for appropriate documentation for in-kind (time & cash) match.
- Awareness of frequently found financial issues for AmeriCorps programs.
Match Requirements

- **Statutory**
  - Minimum matching amount the law requires a grantee to provide.

- **Regulatory**
  - Minimum matching amount established by CNCS or State regulations that may be higher than the statutory requirement.

- **Budgeted**
  - Amount of match grantee provides based on budget, budget narrative, and program narrative contained in grant application; may be greater than statutory or regulatory required match.
The total allowable budget or expenditures incurred to operate the program and accomplish its objectives is divided into 2 sections.

**Federal Share**

Portion of budget or expenditures paid for with Federal/CNCS funds.

**Grantee Share**

aka: match

Portion of total expenditures not paid for with CNCS funds.
Generating Match

Cash Contributions

- Funded Org. Expenses
- Donations
- Local government funding
- State appropriations
- Foundation grants or corporate contributions

- Can be
  - Cash, Check, EFT, Credit Card, Payroll deduction

In-Kind Contributions

- Value of donated goods and services (from non-federal 3rd parties)

- Can be
  - Real property, equipment, supplies, services & other expendable property
In-Kind Match
(from non-federal 3rd parties)

Time

- Professional Services
  - Organization/business donates services
  - Consultant provides training pro-bono
- Expertise
  - Skilled volunteer assists with an evaluation of AmeriCorps program

Stuff

- Reams of paper
- Meeting space
- Project supplies
- Workspace at placement sites for members
**Match Source**

### Source of Funds

<table>
<thead>
<tr>
<th>Section</th>
<th>Match Description</th>
<th>Amount</th>
<th>Type</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source of Funds</td>
<td>School administrators - Principals: 6 persons at $70,000 x 6% usage</td>
<td>25,200</td>
<td>In Kind</td>
<td>State/Local</td>
</tr>
<tr>
<td></td>
<td>School teachers: 6 schools, 7 teachers per school each at 5% usage</td>
<td>84,000</td>
<td>In Kind</td>
<td>State/Local</td>
</tr>
<tr>
<td></td>
<td>LearningWorks van use 8 days at $148.20 per day</td>
<td>1,186</td>
<td>Cash</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>Internet, telephone and other utilities: $86.41 per member per year x 206 members</td>
<td>17,800</td>
<td>In Kind</td>
<td>State/Local</td>
</tr>
<tr>
<td></td>
<td>Classroom space at 6 SIG school sites $10,685 per site</td>
<td>64,110</td>
<td>In Kind</td>
<td>State/Local</td>
</tr>
<tr>
<td></td>
<td>Office space at 6 SIG school sites $5,180 per site per year</td>
<td>31,080</td>
<td>In Kind</td>
<td>State/Local</td>
</tr>
<tr>
<td></td>
<td>Indirect Grantee Match</td>
<td>91,207</td>
<td>Cash</td>
<td>Private</td>
</tr>
<tr>
<td>Total Source of Funds</td>
<td></td>
<td>314,583</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Grantee Share or Matching Funds

- Reasonable, allowable, allocable, and necessary for the performance of the award.
- In accordance with grant legislation, provisions, cost principles, organization’s policies and procedures, Generally Accepted Accounting Principles (GAAP).
- Adequately documented.
- Verifiable from the grantee's records.
- Given consistent treatment.
Exception: Volunteer Match

• Do not count as match –
  The value of *direct community services*
  performed by volunteers.

• May count as match -
  Services such as accounting, training of staff
  or other volunteers, and other professional
  services.
Consistent – What Does it Mean?

Grantees must be consistent in assigning costs

- **Regardless of the source of funding**, i.e., federally or non-federally sponsored activities.
- Following written cost allocation plan, as applicable.
- Consistent with that paid for similar work in the organization’s other activities.
- Distributed to awards and other activities in a consistent pattern.
- The organization must follow a consistent, equitable procedure.
- Charges must be consistent with those normally allowed in like circumstances in the organization’s non-federally sponsored activities.
Grantee Share or Matching Funds

- Other federal awards cannot be used as match unless authorized by the awarding agency’s legislation and also allowed by the Corporation.
- AmeriCorps Funding cannot be included as match on any other federally-funded programs, unless specifically permitted by the Corporation.
Pine Tree Center is a non-profit 501(c)(3) organization. The organization recently received an AmeriCorps grant. The organization also has a grant from the U.S. Department of Education for its education research program.

In the following scenarios, determine:

- Allowable as match, and
- If allowable, how to calculate value.
Is U.S. Dept. of Ed. grant allowable as match? If yes, how to calculate value?

- I have no clue!
- Negatory
- Yes

- ??
- No - because Federal Grant?
- No

- It is allowable, but do not know how to calculate it.
- Yes by percentage
- Yes

- If you have permission to use it as match Don't know how to calculate
- No since it's a federal grant.
- No idea

- No - federal funds. Right?
- Yes but only if approved ahead of time legally and by the CNCS

- No - most federal funds are not allowable as match?
Scenario #1

- Lazy J Campground donates sports equipment to the Big Tree AmeriCorps’ youth program. The Campground also provides a discount to the group facilities to the AmeriCorps program for its annual AmeriCorps orientation and end-of-year celebration.
| Slide is not active | Activate | Yes- through fair market value | Yes | Yes | Yes | Yes | Yes, Cash contribution | Yes. Professional position & service. | Yes | Yes | Yes | Yes | Yes. Billed by donator | Yes. Is a donation to program. | Yes. Is, in kind | Yes. Collect an invoice or in-kind form documenting value. | Yes. Current value from who donated on in-kind form. | Yes. Based on fair market value. | Yes. Must be documented based on invoice | Yes, value should be based on retail value. | Yes. In-kind and should be documented as such. | Yes. This would be considered in-kind and should be documented as such. | Is the sports equipment allowable as match? If yes, how to determine value? |
An individual offers to help the Pine Tree AmeriCorps program develop and implement a social media marketing plan. The individual is employed by a local marketing firm, but is offering to help the AmeriCorps program on his/her own time.
Go to www.menti.com and use the code 13 09 79

Is the individual's time allowable as match? If yes, how to calculate value?

<table>
<thead>
<tr>
<th>Yes - value at professional wage rate</th>
<th>Yes, have details documented of the services being provided.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes. It is a professional service.</td>
<td>Yes, based on professional rate.</td>
</tr>
<tr>
<td>Yes. Current national volunteer rate.</td>
<td>Yes - their rate?</td>
</tr>
<tr>
<td>Yes - pretty sure (in kind service)</td>
<td>Only if they work is being used for the program as in kind. Based on volunteer rate.</td>
</tr>
<tr>
<td>Yes. Skilled volunteer.</td>
<td>Yes -- in-kind. Value of reg rate less the value of the service provided.</td>
</tr>
<tr>
<td>Yes. In-kind service calculated</td>
<td>Yes. If it's cash, then the amount of cash is the value.</td>
</tr>
</tbody>
</table>
Scenario #3

To help cover cost of a field trip for youth, the Pine Tree AmeriCorps program partners with a local religious institution to sponsor a rummage sale. The agreement is that 100% of proceeds will be donated to the AmeriCorps program. Flyers and social media include this information.
Are rummage sale proceeds allowable as match? If yes, how to calculate value?

- Yes. As cash contributions
- Yes, cash contribution
- Yes. Cash contribution
- I want to say yes, but can’t say with 100% clarity.
- Yes--the whole amount should be documented as in-kind.
- Yes
- Not sure
- Yes, cash contribution based on amount received from sale.
- Yes - value of cash/funds given to program
- Yes as cash contribution
- Yes... document actual money raised
- Yes
- Yes. The value is the amount of cash contributed from the sale.
- Yes, cash contribution - make sure to document
- Yes. Donation to the Iro
Scenario #4

A local sports team gives tickets to all the Pine Tree AmeriCorps Program members to attend a game during National Volunteer week. The sports team also waives the fee for the AmeriCorps Program to have table space at the game to provide information about the program and opportunities to serve with AmeriCorps.
Go to www.menti.com and use the code 13 09 79

Are the game tickets allowable as match? If yes, how to calculate value?

<table>
<thead>
<tr>
<th>No</th>
<th>No</th>
<th>No. Not necessary for service. Great gesture though.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not allowable</td>
<td>No</td>
<td>I think that the value would need to be documented.</td>
</tr>
<tr>
<td>Yes</td>
<td>No. Not necessary for service?</td>
<td></td>
</tr>
<tr>
<td>Yes-market rate ticket value</td>
<td>Yes. Need to add up the cost of tickets and table.</td>
<td></td>
</tr>
<tr>
<td>No,</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Unsure at this time</td>
<td>Letter from team in value</td>
<td></td>
</tr>
<tr>
<td>Slide is not active Activate</td>
<td>If it is a pre approved</td>
<td>Yes - if pre-approved as a recognition activity. In-kind</td>
</tr>
<tr>
<td></td>
<td>movement activity in what I think</td>
<td></td>
</tr>
</tbody>
</table>
Is the table space allowable as match? If yes, how to calculate value?

<table>
<thead>
<tr>
<th>Yes, in-kind service</th>
<th>Yes. Document the cost that would normally be charged for table space</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 years</td>
<td>3 years from end date of the audit.</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Yes. Cost nonprofit would pay.</td>
</tr>
<tr>
<td></td>
<td>Yes, valued at the rental rate of the equivalent space.</td>
</tr>
</tbody>
</table>
Valuing In-Kind Donations

- Consider what it would cost to obtain similar goods or services.
- Value is decided by the donor.
- Value of donation which is based on Fair Market,
  - IRS Publication 561 – Determining the value of donated property
  - IRS Publication 526 – Charitable Contribution
- Review donation letter or form to ensure the value is reasonable and compare with other estimates or bases for value.
Documenting In-Kind Contributions

1. Document the basis for determining value of in-kind goods and services.

2. Obtain written acknowledgement of the contribution including:
   - Name and signature of donor;
   - Date of donation;
   - Detailed description of item/service; and
   - Estimated value of contribution, how value was determined, & who made the determination.
# Sample Form

## In-Kind Contribution Form

**Contributor Information**

<table>
<thead>
<tr>
<th>Name of Business or Individual:</th>
<th>State:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Primary Contact:</td>
<td>Zip Code:</td>
</tr>
<tr>
<td>Address:</td>
<td></td>
</tr>
<tr>
<td>City:</td>
<td></td>
</tr>
<tr>
<td>Telephone:</td>
<td></td>
</tr>
</tbody>
</table>

**Description of Contributed Good**

<table>
<thead>
<tr>
<th>Date(s) Contributed:</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real or Estimated</td>
<td></td>
</tr>
<tr>
<td>Value of Contribution:</td>
<td></td>
</tr>
<tr>
<td>How was the value determined?</td>
<td></td>
</tr>
</tbody>
</table>

**Was this Contribution Obtained with or Supported by Federal funds?**

- ☐ No
- ☐ Yes

If yes, please provide the name of the Federal agency and the grant or contract number:

**Signature of Contributor**

<table>
<thead>
<tr>
<th>Signature of Contributor</th>
<th>Date Contributed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Thank you for your support!!

**Office Use Only:**

<table>
<thead>
<tr>
<th>Person Receiving Goods or Services on Behalf of Non-Profit Organization of My County:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Printed Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Signature</th>
<th>Date Received</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Accounting Use Only:**

<table>
<thead>
<tr>
<th>$</th>
<th>Value Recorded</th>
<th>Date Entered</th>
<th>Account Number</th>
<th>Data Entry Person</th>
</tr>
</thead>
</table>
Value of Volunteer Time

Value per hour for 2017

- National = $24.69
- Missouri = $23.21
- Georgia = $25.15

independentsector.org/volunteer_time
Occupational Employment and Wages, May 2017

13-1161 Market Research Analysts and Marketing Specialists

Research market conditions in local, regional, or national areas, or gather information to determine potential sales of a product or service, or create a marketing campaign. May gather information on competitors, prices, sales, and methods of marketing and distribution.

National estimates for this occupation
Industry profile for this occupation
Geographic profile for this occupation

National estimates for this occupation: Top
Employment estimate and mean wage estimates for this occupation:

<table>
<thead>
<tr>
<th>Employment (1)</th>
<th>Employment RSE (3)</th>
<th>Mean hourly wage</th>
<th>Mean annual wage (2)</th>
<th>Wage RSE (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>596,450</td>
<td>0.8 %</td>
<td>$34.35</td>
<td>$71,450</td>
<td>0.4 %</td>
</tr>
</tbody>
</table>

http://www.bls.gov/oes/current/oes2161.htm
Recording In-Kind Contributions

- Maintain adequate documentation to support amounts claimed as match.
  - Same standards used to document Federal share
- 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 formal explanatory policy & separate spreadsheet accountability of receipt and use.
Why Record In-Kind in the General Ledger?

• Statement of Financial Accounting Standards (SFAS #116) sets the standard
  – Contributed services are recognized in financial statements if services received.
  • Create or enhance non-financial assets, or
  • Require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if not provided by donation.

• Enter into General Ledger as income & expenditure
  – Example - local paint store donates a professional paint sprayer with a fair market value of $550.00.
    • $550.00 – 5250 In-Kind Income Account (credit)
    • $550.00 – 7250 In-Kind Expense Account (debit)
Pop Quiz

How long must all AmeriCorps Program financial records be maintained?
Pine Tree Center

• Pine Tree Center is a non-profit 501(c)(3) organization. The organization recently received an AmeriCorps grant. The organization also has a grant from the U.S. Department of Education for its education research program.

In the following scenarios, determine:

❑ Type of match - Cash or In-kind, and
❑ How to document match.
Scenario #5

• Lazy J Campground donates sports equipment to the Big Tree AmeriCorps’ youth program. The Campground also provides a discount to the group facilities to the AmeriCorps program for its annual AmeriCorps orientation and end-of-year celebration.
Scenario #6

An individual offers to help the Pine Tree AmeriCorps program develop and implement a social media marketing plan. The individual is employed by a local marketing firm, but is offering to help the AmeriCorps program on his/her own time.
To help cover cost of a field trip for youth, the Pine Tree AmeriCorps program partners with a local religious institution to sponsor a rummage sale. The agreement is that 100% of proceeds will be donated to the AmeriCorps program. Flyers and social media included this information.
A local sports team gives tickets all the Pine Tree AmeriCorps Program staff and members to attend a game during National Volunteer week. The sports team also provides free space for the AmeriCorps Program to provide information about the program and opportunities to serve with AmeriCorps.
In Summary

• Familiarize **ALL** staff with cash and in-kind match documentation requirements.
• Ensure supporting documentation relates directly to approved program funded by the CNCS grant.
• Ensure costs are: reasonable, necessary, allocable, allowable, and adhere to grant guidelines.
• Maintain proper records and adhere to required record retention policies.
Common Findings:

• Inadequate documentation.
• In-kind contributions not supported with after-the-fact documentation (promissory note is not acceptable).
• Other Federal agency funds used as match without authorization.
• Match requirement not met.
Pitfalls Related to Match

- Expense was not necessary to operate grant.
- Expense was unreasonable or excessive.
- Expense was inadequately supported to determine if it was allowable and allocable.
- Expenses not included in the approved budget.
- Expenses incurred outside of the grant award period.
General Financial Findings

• **Time sheet/attendance System**
  - Lack of tracking fundraising and training time.
  - Time recorded before/after start & end date.

• **Remote site placements**
  - Lack of detailed agreements that define expectations and roles of all parties.
  - Financial contributions from partners inappropriately documented or from nonallowable source.
General Financial Findings

• **Budgets and Reports**
  - Missing documentation to support costs and match.
  - Difference between financial reports and accounting records (don’t track back or reconcile).
  - Costs not included or approved in budget.
  - Costs not allocated appropriately.
General Financial Findings

- **Budgets and Reports**
  - Missing or outdated policies & procedures
  - Duplicative costs
  - No periodic comparison of budgeted to actual expenditures
  - Major variances between budgeted and actual expenditures

- **Questioned or Unallowable Costs**
  - Missing or improper documentation
  - Costs paid before or after grant period
  - Non-compliance with applicable cost principles
General Financial Findings

- **Expenditures**
  - Not properly documented, recorded, or tracked.

- **Travel, Contractor, and Consultant Costs**
  - Not justified or supported.
  - Reimbursement inappropriate.

- **Segregation of Costs**
  - Not segregated by grant or grant year.
General Areas to Review

- **Key Site Visit Review Areas**
  - **Member & Program Management** – Following grant agreement, terms & conditions and CFR’s provision.
  - **Financial accounting system** – Adequate, generally accepted principles followed.
  - **Award and regulatory requirements** – Understanding, compliance with applicable laws and provisions.
  - **Policies and procedures** – Written, adequate, followed.
  - **Internal controls and segregation of duties** – Adequate, followed.
General Areas to Review

- **Key Site Visit Review Areas**
  - **Personnel time and activities** – Appropriately documented and allocated.
  - **Match (cash and in-kind)** – Appropriately documented, recorded, allowable reasonable, necessary, allocable.
  - **Financial reports** – Internal and external; supported by accounting records, accurate, complete.
  - **Source documentation** – Clear, retained, sufficient audit trail, support reimbursement requests (subgrantee reimbursement form, etc.).
Resources

- Presentation
- In-kind Contribution Form
- AmeriCorps Resource Links
Please take 3-4 minutes to provide feedback on yesterday’s & today’s trainings.

Use this link: https://tinyurl.com/ACFinancialTrng

Thanks!