AmeriCorps Financial Management, Part 1a

July 16, 2019
Introductions

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Housekeeping

- Mute to minimize background noise
  - Everyone muted at start
- Ask questions in Q&A
- Parking Lot
- Presentations & Handouts
- Mentimeter at [www.menti.com](http://www.menti.com)
What is your favorite type of sweets?

- Liquorice: 2
- Chocolate: 28
- Sour: 6
- Fruit: 11
Learning Objectives

- Utilize budget as a monitoring tool.
- Understand what defines appropriate expenses for AmeriCorps program grants.
- Identify appropriate and complete financial documentation.
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).
Budget As Navigation Tool

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

**ALL should 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
Budget As Navigation Tool

• Developed in accordance with application instructions, using the required line items.
• Developed based on program need.
• Costs must be 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.
Appropriate Costs, Part 1

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) at 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.
• 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.
Unallowable Costs

- Fines and penalties.
- Expenses not necessary to meet program objectives.
- Entertainment, alcohol.
- 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.
- Lobbying (if funds are public).
Pop Quiz

In the following scenarios, determine if costs are:

- Allowable
- Reasonable
- Necessary
- Allocable
Learning Corps purchased 3 vans to transport students on field trips.
SuperDuper Corps purchased a business class ticket for staff to attend a CNCS training.
Cooking Matters Corps program provides food at its monthly member meetings.
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 grantee and grant officer (and CNCS grant officers).
Budget Flexibility

• 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.
Pop Quiz

Let’s play, “Where do I find...?”
Where do you find what is appropriate to include in a budget?
Where does the value of expenditures for fiscal reports come from?
Where do you find who can sign requests for reimbursement?
General Ledger

Is the main accounting record of an organization that includes expenditures and revenues.
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

How do I to submit financial reports?
• Consult with your Commission (identified in grant agreement).

Who reviews them?
• Identified Commission staff (identified in grant agreement).
• Critically important to know who you are reporting to – consult with your Commission.
Financial Reports

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

- Signed timesheets with supervisory approval
- Payroll register
- Personnel file with salary/wage information
- Employment contract
- Cancelled checks/Direct deposit schedule
Program Staff Time & Activity Reporting

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 (Higher ed.) must comply with requirements of 2 CFR 220 (Formerly OMB A-21)
Members & Program Staff
Time & Activity Reporting

• Report actual time – not based on percentage.
  – Members & nonsalaried staff = $\frac{1}{4}$ or $\frac{1}{2}$ hour increments acceptable to CNCS.
  – Salaried staff = hour increments acceptable to CNCS.
  – Consult with your Commission for requirements.

• Account for all of the time required.
  – Program staff must account for 100% of time even if not all funded by AmeriCorps Program.

• Benefits paid for salaried positions based on actual time spent on AmeriCorps Program.
# Time and Attendance

Employee: [Timesheet](#) - [Employee History](#) - [Leave](#) - [Profile](#) - [Change Password](#) - [Change Signature](#)

[My Pay](#) - [Help Topics](#) - [Exit MS-TAMS](#)

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## TIMESHEET SCREEN

**Job Class Title:** SENIOR DIRECTOR  
**Pay Period Ending:** 06/15/2019  
**Status:** Approved By Payroll  
**Name:** Testerson, Testee Q  
**Version:** 1

### Week 1

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[Go to MS-TAMS Help](#)
### Timesheet History

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**Thu Mar 21**

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Description:

**Fri Mar 22**

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Comments/Description:

3/9: Winter Skills Event at Mt. View
3/11: Promo mtg w. team and Ali, Team mtg w. Andy (event catch up and summer planning), programming at JVS (7th)
3/12: Survey options for Anna, Project updates, program image uploads, programming at JVS (5th)
3/13: Newsletter mtg w. Jody, LGL data input from event, look over final survey - provide feedback, edit promo materials, programming w. JVS (6th and after school).
3/14: Finger printing, event data collection, spring program planning, work on newsletter.
3/15: MEEA Conference
3/18: Finalize promo materials, summer program planning, programming at JVS (8th)
3/19: Staff mtg, Policy working session, programming at JVS (5th), work on newsletter
3/20: Spring mtg w. WES, programming at JVS (6th and after school), coordinate AmeriCorps learning opps
3/21: Spring mtg w. WMHS, programming at JVS (7th), WMHS teacher conferences promoting program
3/22: spring program research, NAAEE Webinar, plan next week's HVNC field trip

**Wed Jun 12**

Description: Split into saw groups for field discussion. My group's instructor was Andy Wood and our project site was Pisgah. Practiced various cutting techniques and watched demonstrations.

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**Thu Jun 13**

Description: Split into saw groups for field discussion. My group's instructor was Andy Wood and our project site was Pisgah. Practiced various cutting techniques and watched demonstrations.

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**Fri Jun 14**

Description: Participated in Timesheet Training. Split into saw groups to buck and furb deepwood trees. The leader of my group was Emily and Burcel.

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Member Stipends

CNCS rules:

• 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

Organization policy (must be in member contract)

• Temporary withhold stipend if timesheet or other required paperwork not submitted.
Member Stipends Examples

- **Stipend Amount**
  - 1700 hr position = $14,000
  - 900 hr position = $7000

- **1700 hr position weekly payments**
  - 12 mo/52 wk position = $250/ bi wkly
  - 11 mo/48 wk position = $270.83 (one week add $0.16)

- **900 hr position weekly payments**
  - 12 mo/52 wk position = $125/wk
  - 9 mo/39 wk position = $166 (one week add $26.00)
Stipends & Payroll Systems

- Withholdings:
  - Federal income tax
  - State income tax, if applicable

- For payroll systems, members may be considered like Statutory Employees.
  - If workers are independent contractors under the common law rules, such workers may nevertheless be treated as employees by statute (statutory employees) for certain employment tax purposes if they fall within any one of four categories and meet the three conditions described under Social Security and Medicare taxes.

Unemployment

• Federal level
  – Unemployment compensation does not apply.
    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.
  – Consult with your Commission.
Fiscal Management Part 1b

- Finish up Documentation
- Match
- Common compliance issues
- More pop quizzes!