AmeriCorps Financial Management, Part 1b

July 17, 2020
Hello, Again

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Housekeeping

- Muted to minimize background noise
  - Everyone muted at start
- Recording
- Ask questions in Q&A
- Parking Lot
- www.menti.com
Learning Objectives

• Continue to identify appropriate and complete financial documentation.
• Understand budgetary controls.
• Navigate match using your budget.
• Identify difference between Federal and local share.
• Understand requirements for appropriate documentation for in-kind match.
• Awareness of frequently found financial issues for AmeriCorps programs.
Parking Lot

- GA AmeriCorps Symposium is a virtual event.
- Comments from MO (& GA?) re: unexpended funds later in presentation.
- Any missed?
Direct Costs

- Costs that are directly attributable to meeting the goals and objectives of the programs.
- Budget categories typically include:
  - Staffing & Fringe
  - Travel
  - Equipment
  - Supplies
  - Contractual and Consultant Services
  - Evaluation
  - Other attributable operating costs
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.
## FY 2020 Per Diem Rates for Missouri

I'm interested in: [Lodging Rates] [Meals & Incidentals (M&IE) Rates] [New Search]

### Lodging by month (excluding taxes) | October 2019 - September 2020

Cities not appearing below may be located within a county for which rates are listed. To determine what county a city is located in, visit the National Association of Counties (NACO) website (a non-federal website).

<table>
<thead>
<tr>
<th>Primary Destination</th>
<th>County</th>
<th>2019 Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>2020 Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Rate</td>
<td>Applies for all locations without specified rates</td>
<td>$96</td>
<td>$96</td>
<td>$96</td>
<td>$96</td>
<td>$96</td>
<td>$96</td>
<td>$96</td>
<td>$96</td>
<td>$96</td>
<td>$96</td>
<td>$96</td>
<td>$96</td>
</tr>
<tr>
<td>St. Louis</td>
<td>St. Louis / St. Louis City / St. Charles</td>
<td>$135</td>
<td>$135</td>
<td>$135</td>
<td>$135</td>
<td>$135</td>
<td>$135</td>
<td>$135</td>
<td>$135</td>
<td>$135</td>
<td>$135</td>
<td>$135</td>
<td>$135</td>
</tr>
</tbody>
</table>

Showing 1 to 3 of 3 entries
Identifying Documentation

Supplies

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

Contract & Consultant

- Signed agreements
- Purchase orders
- Paid invoices and receipts

CNCS no longer has a daily maximum consultant fee.

*Ignore daily rate box in eGrants.*

*Consultant fee must be reasonable & necessary.*
Identifying Documentation

Training

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

Evaluation

- Signed agreement/contract
- Purchase orders
- Paid invoices and receipts (or in-kind documentation)
- Final copy of the evaluation report
Indirect/Administrative Costs

• Administrative costs are general or centralized expenses of overall administration of an organization that, typically, operates multiple programs and has multiple funding sources.

• May include items such as:
  – Accounting, auditing, general legal service
  – Costs for internal evaluation/continuous improvement
  – General liability insurance
  – Salaries & benefits related to general organizational management and support
Calculating Indirect Options (choice made at application)

• CNCS 5% Fixed Rate Option
  – Allows for applicant to recover fixed 5% of funded amount and claim 10% of total cost as match

• Federally Negotiated Indirect Cost
  – Determined by cognizant federal agency on a term basis
  – Still only 5% claimable as reimbursed cost

• 10% De Minimus Rate
  – 10% of modified total direct costs (MTDC).
  – Only available if never received a negotiated rate
  – Still only 5% claimable as reimbursed cost
• Determine **CNCS Direct Cost Subtotal** and multiply by 5.26%. (This portion is reimbursable.)
  - Portion to grantee (CNCS subtotal x .0526 x .8 = 4% claimed)
  - Portion returned to Commission (CNCS subtotal x .0526 x .2 = 1% claimed)

• Determine **Total Direct Cost Subtotal** – CNCS & Match and multiply by 10%.
  - This amount can be claimed as match without additional documentation.

• Applicants can claim less than their share of indirect, but normally must claim at least the Commission share.
### Table: CNCS 5% Fixed Rate Option

<table>
<thead>
<tr>
<th>Section I. Program Operating Costs</th>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>50,000</td>
<td>50,000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Section II. Member Costs</th>
<th>50,000</th>
<th>25,000</th>
<th>75,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Section I + Section II SUBTOTAL</strong></td>
<td>50,000</td>
<td>75,000</td>
<td><strong>125,000</strong></td>
</tr>
</tbody>
</table>

### Section III. Administrative/Indirect Costs

#### A. Corporation Fixed Percentage

<table>
<thead>
<tr>
<th>Item -Calculation</th>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporation Fixed Amount:</td>
<td>2,104</td>
<td>12,500</td>
<td>14,604</td>
</tr>
<tr>
<td>CNCS Share: $50000 x 0.0526 x .8 = 2104</td>
<td>2,104</td>
<td>12,500</td>
<td>14,604</td>
</tr>
<tr>
<td>Grantee share: $125000 x .10 = $12500</td>
<td>12,500</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Commission Fixed Amount: | 526 | 526 |
| $50000 x .0526 x .2 = 526 | 526 |

| CATEGORY Totals | 2,630 | 12,500 | 15,130 |
| TOTAL Grant Cost | 52,630 | 87,500 | 140,130 |
**Federally Negotiated Indirect Cost**

- **Determine Total Indirect Costs available – CNCS & Match**
  
  _minus_ any items not allowable under the rate agreement. Then multiply by Rate _claimed_.
  
  - Applicants can claim less than their approved indirect rate.

- **Determine CNCS Direct Cost** subtotal and multiply by 5.26%.
  
  - This calculation is _NOT_ influenced by rate agreement conditions
  
  - Split into Agency and Commission share as in prior example.
  
  - Reduce total available indirect by total CNCS amount claimed & remainder can be claimed as match.

- **10% De Minimus** calculation is fundamentally the same. Rate claimed is 10%.
<table>
<thead>
<tr>
<th>Section I. Program Operating Costs</th>
<th>0</th>
<th>50,000</th>
<th>50,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section II. Member Costs</td>
<td>50,000</td>
<td>25,000</td>
<td>75,000</td>
</tr>
<tr>
<td><strong>Section I + Section II SUBTOTAL</strong></td>
<td><strong>50,000</strong></td>
<td><strong>75,000</strong></td>
<td><strong>125,000</strong></td>
</tr>
</tbody>
</table>

**Rate agreement is Salary Only** (salary = 40,000)

<table>
<thead>
<tr>
<th>Subtotal for Rate Calculation</th>
<th>0</th>
<th>40000</th>
<th>40000</th>
</tr>
</thead>
</table>

Total Available indirect = 40000 x .2 = 8000

### Section III. Administrative/Indirect Costs

#### B. Federally Approved Indirect Cost Rate

<table>
<thead>
<tr>
<th>Calculation -Cost Type -Rate -Rate Claimed -Cost Basis</th>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed: Other: - includes only staff salaries. Rate of 20.0%. Rate claimed of 20% of 40000 = $8000.</td>
<td>2630</td>
<td>5370</td>
<td>8000</td>
</tr>
<tr>
<td>- 5.26% of CNCS cost = $2630</td>
<td>2630</td>
<td>5370</td>
<td>8000</td>
</tr>
<tr>
<td>- (Commission retains 1% = $526);</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- remainder as match (8000 – 2630 = 5370).</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**CATEGORY Totals**

| 2,630 | 5370 | 8000 |

**TOTAL Grant Cost**

| 52,630 | 80,370 | 133,000 |
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
Unexpected Excess

- Monitor budget monthly!!!
- Consult with your Commission
  - Request budget amendment
  - Be aware of any deadlines as noted in contract/funding agreement with your Commission.
- Due to under enrollment
  - Not available to spend.
Unexpected Excess

• Generally acceptable expenses for the next program year:
  – Recruitment expenses
  – AmeriCorps gear
  – Program evaluation
  – Life After AmeriCorps
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
Pre-award costs

- Request may be submitted after official award notification.
- Only awarded prior to first year of funding.
- Pre-award amount may be up to 20% of federal share.
- Fixed Price grants not eligible for pre-award.
- What are allowable expenses?
  - Only expenses include in the approved budget.
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...

- **Read & review** the contract/funding agreement from your Commission.
- **Revisit** the award, terms & conditions, and award requirements frequently throughout the grant period.
- **Revisit** your budget frequently...it’s a navigation tool!
Stretch Break!
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 CARES Act provides temporary relief from statutory minimum match requirement.

GA & MO Commissions require match to be included in budget.

If not meeting match level indicated in approved budget, contact your Commission. In both states, Commission staff will work with programs on a case-by-case situation and to address documentation needed for match waiver provided under the CARES Act.
Project Costs

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 funds (CNCS).

**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
Grantee Share or Matching Funds

- *Reasonable, allowable, allocable, and necessary* for the performance of the award.
- In accordance with grant legislation, terms & conditions, 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 paid 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.

- Consistent with that paid for similar work in the organization’s other activities.
- Allocated to awards or other activities in the same way as the federal share.
- Expenditures must be consistent with those normally allowed in like circumstances in the organization’s non-federally sponsored activities.
- Organizational policies apply equally to federal and local share.
Grantee Share or Matching Funds

• Other federal awards may be used as match with prior authorized in writing by the awarding agency AND allowed by the Corporation.

• AmeriCorps funding cannot be included as match on any other federally-funded programs, unless specifically permitted by the Corporation.
Valuing In-Kind Donations

• Consider what it would cost to obtain similar goods or services.
• Value of donation which is based on Fair Market Value is decided by the donor.
• 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.
## In-Kind Contribution Form

### Contributor Information

| Name of Business or Individual: |  |
| Name of Primary Contact: |  |
| Address: |  |
| City: |  |
| Telephone: |  |

<table>
<thead>
<tr>
<th>State:</th>
<th>Zip Code:</th>
</tr>
</thead>
</table>

| E-mail: |  |

### Description of Contributed Goods

| Date(s) Contributed: |  |
| Real or Estimated Value of Contribution: |  |
| How was the value determined? |  |

### 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>
</table>

Thank you for your support!!

### Office Use Only:

Person Receiving Goods or Services on Behalf of Non-Profit Organization of My County:

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

Signature

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

### Accounting Use Only:

Value Recorded

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

Georgia $25.78

Missouri $23.96

$25.43 per hour

independentsector.org/volunteer_time
### May 2019 State Occupational Employment and Wage Estimates

#### Missouri

<table>
<thead>
<tr>
<th>Occupation Code</th>
<th>Occupation Title (click on the occupation title to view its profile)</th>
<th>Level</th>
<th>Employment</th>
<th>Employment RSE</th>
<th>Employment per 1,000 jobs</th>
<th>Location quotient</th>
<th>Median hourly wage</th>
<th>Mean hourly wage</th>
<th>Annual mean wage</th>
<th>Mean wage RSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-1232</td>
<td>Computer User Support Specialists</td>
<td>detail</td>
<td>12,050</td>
<td>5.0%</td>
<td>4,272</td>
<td>0.97</td>
<td>$22.29</td>
<td>$23.91</td>
<td>$49,740</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

### Additional Information

- [09-0000 All Occupations](https://www.bls.gov/oes/current/oessrcst.htm)
- [11-0000 Management Occupations](https://www.bls.gov/oes/current/oessrcst.htm)
- [15-0000 Computer and Mathematical Occupations](https://www.bls.gov/oes/current/oessrcst.htm)
- [17-0000 Architecture and Engineering Occupations](https://www.bls.gov/oes/current/oessrcst.htm)
- [19-0000 Life, Physical, and Social Science Occupations](https://www.bls.gov/oes/current/oessrcst.htm)
- [21-0000 Community and Social Service Occupations](https://www.bls.gov/oes/current/oessrcst.htm)
- [23-0000 Legal Occupations](https://www.bls.gov/oes/current/oessrcst.htm)
- [25-0000 Educational Instruction and Library Occupations](https://www.bls.gov/oes/current/oessrcst.htm)
- [27-0000 Arts, Design, Entertainment, Sports, and Media Occupations](https://www.bls.gov/oes/current/oessrcst.htm)
- [29-0000 Healthcare Practitioners and Technical Occupations](https://www.bls.gov/oes/current/oessrcst.htm)
- [31-0000 Healthcare Support Occupations](https://www.bls.gov/oes/current/oessrcst.htm)
Recording In-Kind Contributions

• Maintain adequate documentation to support amounts claimed as match.
  - Same standards used to document Federal share.
• Enter value in 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.
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 hardware donates supplies & tools for community garden with a fair market value of $550.00.
    - $550.00 – 5250 In-Kind Income Account (credit)
    - $550.00 – 7250 In-Kind Expense Account (debit)
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*.

• *Read & revisit your contract/funding agreement*. 
The following scenarios are common issues and pitfalls. In each scenario, briefly describe what you could do to correct or prevent the issue.

www.menti.com
Auditors could not reconcile the General Ledger to costs claimed on the Federal Financial Report. What can you do?
The organization's own accountant performed an OMB A-133 audit. What can you do?
Auditors could not find supporting documentation for a donation of $10,000 in building supplies claimed as in-kind match. What can you do?
Members are reimbursed the federal mileage rate ($0.58/mi). Employees receive $0.45/mi. What can you do?
Pitfalls Related to Match

**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.
General Financial Findings

- **Timesheet/attendance System**
  - Lack of tracking fundraising and training time.
  - Time recorded before start date, before Criminal History, or after end date.

- **Remote site placements**
  - Lack of detailed agreements that define fiscal 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.

- **Training Records**
  - Lack of agendas indicating content & lack of contemporaneous attendance records.
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.
Handouts

• AC Financial Management Training 2020 1a & 1b
  And compilation of links from Part 1a & 1b
• Internal Controls – Policies & Procedures
• Segregation of Financial Duties Worksheet
• Maintaining & Retaining Source Documentation
• In-Kind Contribution Form
Feedback

Please take 5 minutes to provide us feedback. Here’s the link: https://tinyurl.com/ACFinancialTrng