

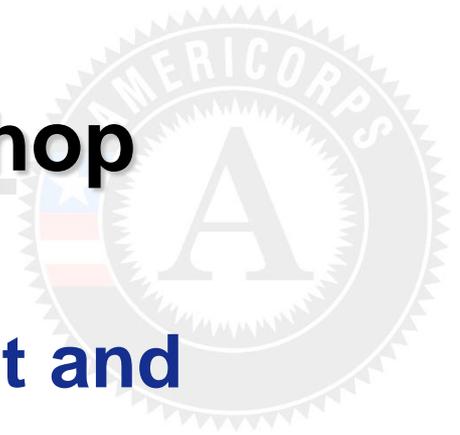
Grant Application Workshop

Financial Management and Budget Composition for AmeriCorps Grant Funding

presented by

Jerron M. Johnson
Field Program Officer

December 5, 2014





Objectives



Part 1: Basics of Financial Management

- To understand the basic concepts and responsibilities of managing a federal grant
- To review key grant requirements for managing an AmeriCorps grant

Part 2: AmeriCorps Budget Composition

- To provide guidelines for developing an AmeriCorps budget and budget narrative





Part 1



Basics of Financial Management





Session Topics



- Regulations & Requirements
- Program Responsibility
- Compliance
- Financial Management Principles
- Cost Types
- Overview of Grantee Share (Match)
- In-Kind Contributions
- Documentation
- Financial Reporting Requirements
- Record Retention Policy



Regulations & Requirements

- The following regulations and documents are applicable to financial management:
 - National & Community Service Act of 1990
 - Amended: National & Community Service Trust Act of 1993
 - Amended: Edward M. Kennedy Serve America Act of 2009
 - Code of Federal Regulations (CFR)
 - OMB Circulars (*part of the CFR*)
 - State and Local Regulations
 - AmeriCorps Grant Terms & Conditions (*formerly known as Provisions*)
 - Notice of Grant Award (*NOGA*)
 - Grant Proposal and Budget
 - Notice of Funding Opportunity (*NOFO*)



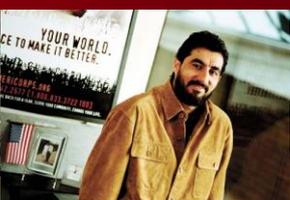
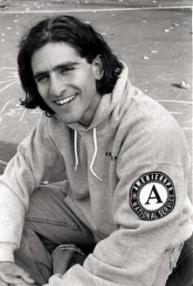
Grant Guidelines



Federal Grant Guidelines	Educational Institutions	States, Local, Indian Tribal Governments	Non-Profits	Hospitals
Administrative Requirements	§ 45 CFR 2543 § 2 CFR 215 <i>(formerly A-110)</i>	§ 45 CFR 2541 OMB A-102	§ 45 CFR 2543 § 2 CFR 215 <i>(formerly A-110)</i>	§ 45 CFR 2543 § 2 CFR 215 <i>(formerly A-110)</i>
Cost Principles	§ 2 CFR 220 <i>(formerly A-21)</i>	§ 2 CFR 225 <i>(formerly A-87)</i>	§ 2 CFR 230 <i>(formerly A-122)</i>	§ 45 CFR 74 <i>(HHS regulations)</i>
Audit Requirements *	OMB A-133	OMB A-133	OMB A-133	OMB A-133

Notes:

- The Code of Federal Regulations (CFR) may be found at <http://www.ecfr.gov/cgi-bin/ECFR?page=browse>.
- OMB Circular information may be found at http://www.whitehouse.gov/omb/grants_circulars/.
- *Organizations that expend \$750,000 or more in federal funds are subject to an external evaluation (A-133 audit).



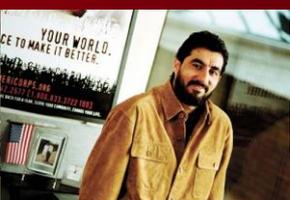
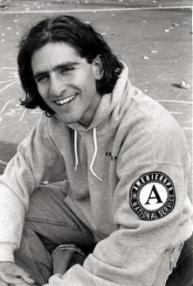
Administrative Requirements



- Purpose:

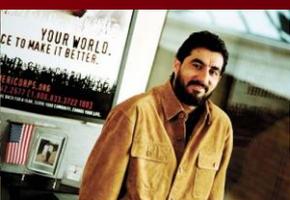
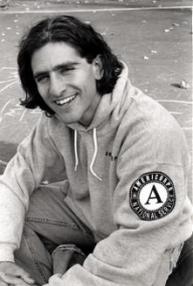
- To provide consistency and uniformity among federal agencies in the management of grants and cooperative agreements
- To require all federal agencies to issue a grants management common rule to adopt government-wide terms and conditions

Federal Grant Guidelines	Educational Institutions	States, Local, Indian Tribal Governments	Non-Profits	Hospitals
Administrative Requirements	§ 45 CFR 2543 § 2 CFR 215 <i>(formerly A-110)</i>	§ 45 CFR 2541 OMB A-102	§ 45 CFR 2543 § 2 CFR 215 <i>(formerly A-110)</i>	§ 45 CFR 2543 § 2 CFR 215 <i>(formerly A-110)</i>



Administrative Requirements

- Examples of items outlined in Administrative Requirements include:
 - Pre-award policies
 - Special award conditions
 - Purpose of financial and program management
 - Standards for financial management systems
 - Cost sharing or matching
 - Program income





Cost Principles

- Purpose

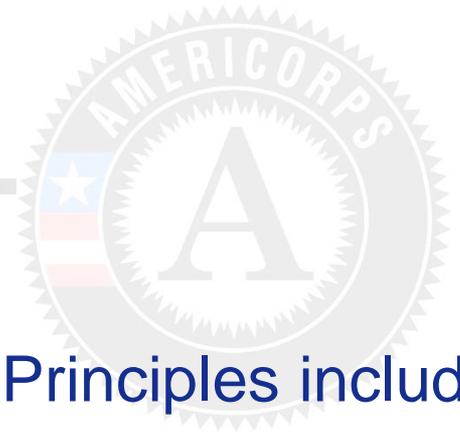
- To provide guidance to determine the allowable costs under federal grants or contracts
- To provide guidance so that federal awards support their fair share of the costs
- To provide uniform standards of allowability, reasonability, necessity, and allocation
- To encourage consistency of treatment of costs
- To provide guidance about reimbursement requirements

Federal Grant Guidelines	Educational Institutions	States, Local, Indian Tribal Governments	Non-Profits	Hospitals
Cost Principles	§ 2 CFR 220 (formerly A-21)	§ 2 CFR 225 (formerly A-87)	§ 2 CFR 230 (formerly A-122)	§ 45 CFR 74 (HHS regulations)





Cost Principles



- Examples of costs outlined by Costs Principles include:
 - Compensation for personnel services
 - Travel costs
 - Training and education costs
 - Rental costs
 - Recruiting costs
 - Memberships, subscriptions, and professional activity costs
 - Advertising and public relations costs



A-133 Audit Requirements



- Purpose:

- To provide the standards for obtaining consistency and uniformity among federal agencies for the audit of organizations expending federal funds
- To apply to all organizations that expend \$750,000 or more of federal funds in that organization's fiscal year
 - *Previously, the threshold was \$500,000 or more of federal funds.*

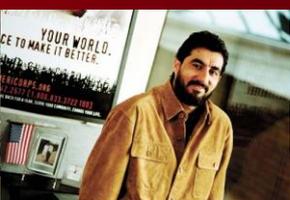
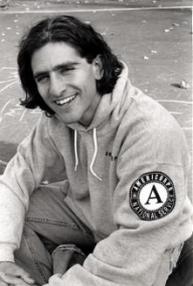
Federal Grant Guidelines	Educational Institutions	States, Local, Indian Tribal Governments	Non-Profits	Hospitals
Audit Requirements *	OMB A-133	OMB A-133	OMB A-133	OMB A-133



Grant Terms & Conditions



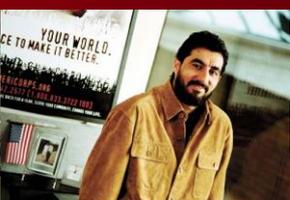
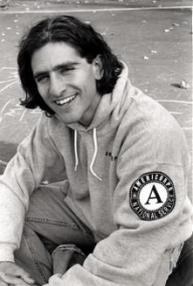
- The Grant Terms & Conditions are:
 - Formerly known as *Grant Provisions*
 - Are issued by CNCS with the Notice of Grant Award
 - Are the guiding principles for CNCS-funded grants and cooperative agreements
 - Contain program and financial guidelines
 - Are binding on the grantee and sub-grantee in the same manner
- If inconsistencies exist, the order of precedence is:
 1. *Notice of Grant Award*
 2. *Special Provisions*
 3. *General Provisions or Terms and Conditions*
 4. *Approved Grant Application*



Grant Terms & Conditions



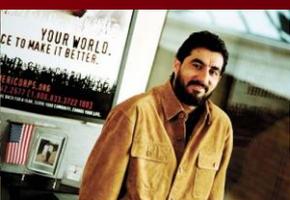
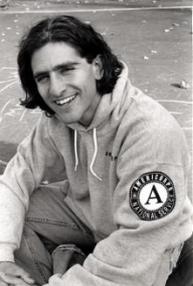
- Examples of items outlined by the Grant Terms & Conditions include:
 - Member Recruitment, Selection, and Exit
 - Living Allowances, Other In-Service Benefits, and Taxes
 - Member Records and Confidentiality
 - Budget and Programmatic Changes
 - Reporting Requirements
 - Responsibilities under Grant Administration
 - Financial Management Standards
 - Program Income
 - Safety, Whistleblower Protection, and Reporting Fraud, Waste, & Abuse



AmeriCorps Regulations



- AmeriCorps Regulations are outlined in 45 CFR Chapter XXV § 2520-2550
- Examples of items outlined in the AmeriCorps Regulations include:
 - Program Requirements
 - Member Eligibility
 - Member Management Items
 - *Contract, Grievance Procedure, & Evaluation*
 - *Living Allowance & Insurance*
 - *Benefits*
 - *Service Hours*
 - Allowable Activities





Order of Precedence



1. Federal statutes
2. Federal regulations
3. CNCS grant special provisions
4. CNCS grant general provisions
5. Notice of Funding Opportunity
6. Approved Grant Application

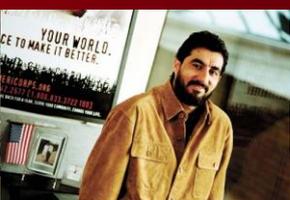
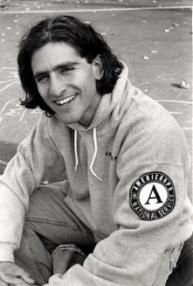
Funded programs must also adhere to requirements established by the Missouri Community Service Commission.



Program Responsibility



- Funded programs are responsible for:
 - Compliance with CNCS and AmeriCorps (federal) regulations;
 - Compliance with MCSC (state) requirements;
 - Compliance with programmatic and financial management standards;
 - Compliance with reporting requirements (timely, accurate, and complete reporting of both performance measures progress and grant expenditures); and
 - Compliance of key program staff and Member activities.





Compliance



- **Compliance is a team effort!!**
- **The effective team environment:**
 - Strengthens the overall success of the program
 - Builds a more efficient and effective program
 - Enhances cooperation and coordination
 - Promotes on-going communication
 - Engages both program and fiscal staff in order to:
 - *Gain a deeper understanding of the program goals*
 - *Learn to value each other and their roles in the project*
 - *Support and cultivate a common purpose with mutual goals and mutual accountability*





Compliance



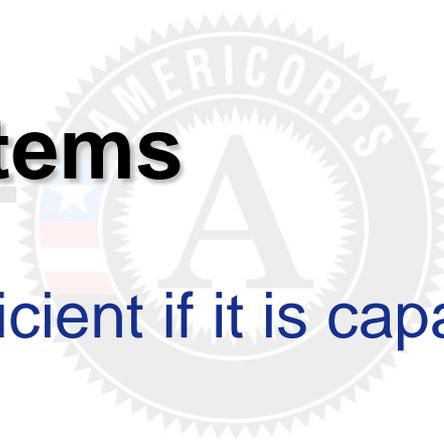
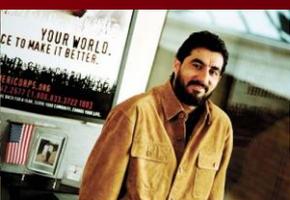
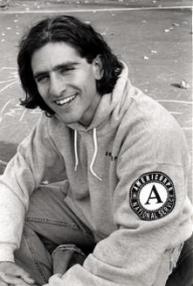
- Organizations are expected to have the following tools and/or systems in place to ensure compliance with grant management requirements:
 1. Efficient Accounting Systems
 2. Internal Controls
 3. Written Policies and Procedures



Efficient Accounting Systems

An accounting system is considered efficient if it is capable of the following:

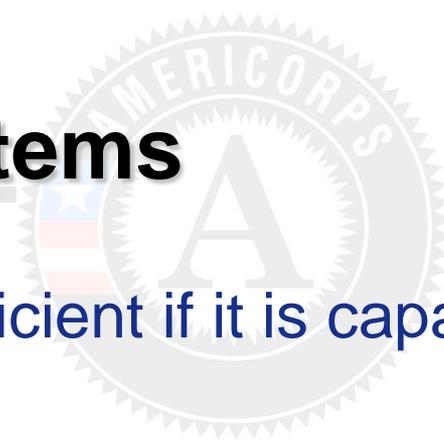
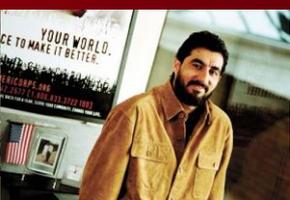
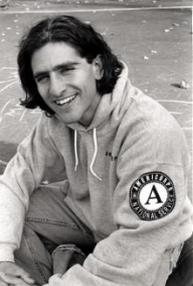
1. Distinguishing between grant versus non-grant related expenditures;
2. Identifying costs by program year;
3. Identifying costs by budget category;
4. Differentiating between direct and indirect (*administrative*) costs;
5. Accounting for each award or grant separately;
6. Recording in-kind contributions as both revenues and expenses;



Efficient Accounting Systems

An accounting system is considered efficient if it is capable of the following (*cont...*):

7. Easily providing management with financial reports at both the summary and detailed levels;
8. Comparing outlays with budget amounts for each award (*budget vs. actual reports*);
9. Maintaining federal vs. non-federal match funds separately; and
10. Correlating financial reports to accounting information and supporting documents (*maintaining supporting documentation*).





Internal Controls



- **DEFINITION:**

An internal control is a “process” affected by an organization’s board, management and other personnel designed to provide reasonable assurance regarding the achievement of:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with laws and regulations



Internal Controls



- DEFINITION (cont):

An internal control is also a system of checks and balances used to:

- Protect the organization from financial abuse
- Enhance the organization's ability to achieve its goals
- Assist the organization in optimizing resources (*should not be viewed as an organizational burden*)



Internal Controls



- OBJECTIVES:

- Adequacy of Audit Trail: *Can a transaction be traced from the accounting records back to the original source documentation (e.g. invoice, receipt, timesheet)?*
- Separation of Duties: *Are the various aspects of the accounting functions separated and performed by more than one person?*
- Safeguarding of Assets: *Are the assets of the organization protected?*
- Adequacy of Records: *Are adequate records maintained to provide explanation and basis for decision or transaction?*





Internal Controls



- **RESPONSIBILITY:**

Everyone in the organization has a role and responsibility in internal controls, not just fiscal management.

- **Executives:** *Establish the presence of integrity, ethics, competence, and a positive control environment.*
- **Directors/Department Heads:** *Have oversight responsibility for internal controls within their units.*
- **Managers/Supervisory Personnel:** *Responsible for executing control policies and procedures at the detail level within their specific unit.*
- **Each Individual:** *Must be aware of proper internal control procedures associated with their specific job responsibilities.*





Internal Controls



- **GOOD CONTROL ENVIRONMENT**

A good control environment includes:

- Positive “atmosphere” in the work environment
- Existence of a code of conduct and code of ethics
- Written job descriptions
- Timely/appropriate communications with Board
- Written policies to hire, train, promote and compensate employees
- Safeguards for employees related to whistleblowing
- A clear chain of command



Internal Controls

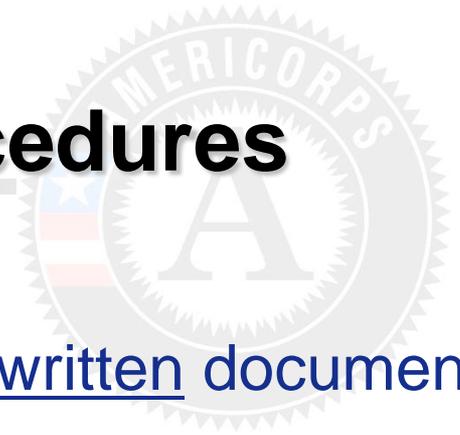


- GOOD CONTROL ENVIRONMENT (cont):

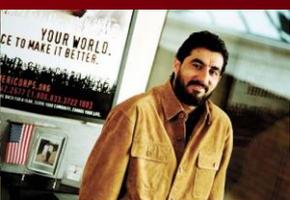
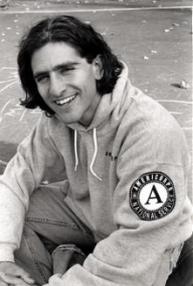
- Clear, written delegations of authority and responsibilities
- Written policies, procedures and processes
- Adequate review process for financial transactions, financial reports, budgets, etc.
- Adequate cash management procedures (*e.g. monthly bank reconciliations by supervisory personnel*)
- System to track Members' and employees time and activities (*timekeeping system*)
- System to follow up on problems to ensure resolution and ensure program is not repeated

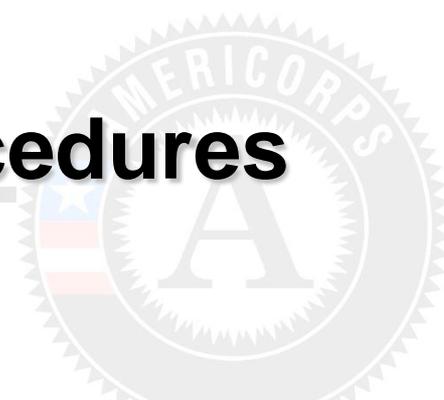


Written Policies and Procedures



- Policies and procedures are a set of written documents that describe an organization's:
 - 1) Policies for Operation – *“what is to be done”*
 - 2) Procedures necessary to fulfill the policies – *“how and when it is to be completed and by whom”*
- All staff must be familiar with these documents.
- Documents must incorporate federal and CNCS grant regulations, terms and conditions.





Written Policies and Procedures

- **Written Policies and Procedures:**

1. Should be established, followed, monitored, updated and reviewed
2. Are the standards for the organization's operations
3. Help maintain information that is crucial to operations that would otherwise remain in employees' "heads"
4. Help orient new employees and substitutes if the appropriate personnel are absent
5. Assist with consistency and clear communication of expectations
6. Explain rationale and include examples of principal transactions and completed forms



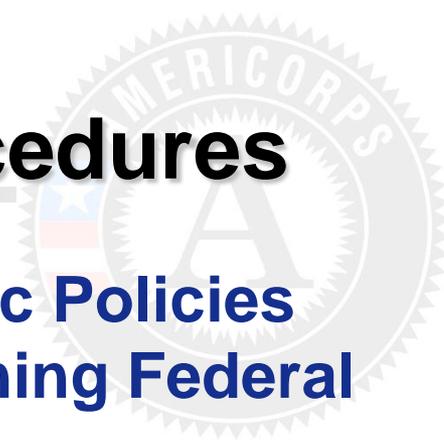
Written Policies and Procedures

- **Examples of Key Policies and Procedures**

- Authorization of transactions
- Payroll procedures
- Cash receipts procedures
- Travel regulations
- Financial reporting
- Budgeting
- Records retention
- Conflict of interest
- Timekeeping

- **Specific Policies Governing Federal Funds**

- Federal Financial Report (FFR) completion
- Drawdown of federal funds
- Matching requirements.





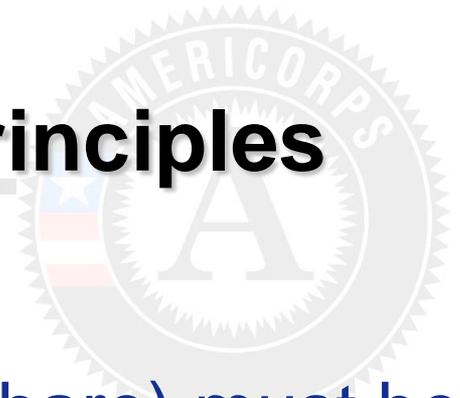
Inadequate Controls

The implications of inadequate internal controls and/or written policies and procedures include:

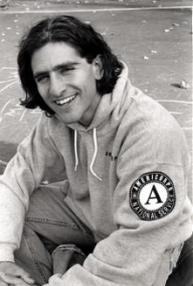
- **Audit Findings:** *Questioned costs, material weaknesses.*
- **Inappropriate Grant Management:** *Federal funds may be managed inappropriately.*
- **Funding Source Risks:** *Public/private funding sources may be jeopardized.*
- **Inconsistency:** *Inconsistencies may be identified in practices, processes, reviews, approvals, results, and documentation.*
- **Inefficiency:** *Time and resources may be inefficiently used.*
- **Repayment:** *Costs may be unallowable or disallowed causing the organization to have to repay grant funds.*



Financial Management Principles



- All costs (CNCS and Grantee Share) must be:
 1. Allowable
 2. Reasonable
 3. Allocable
 4. Consistently applied



Financial Management Principles



• ALLOWABLE COSTS:

To be allowable under a grant, costs must:

- Be included in the approved budget;
- 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 within the entire organization;
- Be in accordance with Generally Accepted Accounting Principles (GAAP);
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program; and
- Be adequately documented.



Financial Management Principles



- **EXAMPLE: ALLOWABLE COSTS**

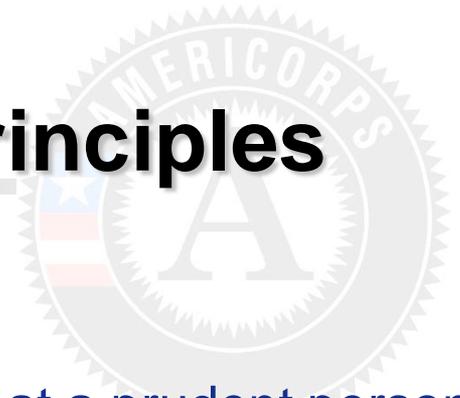
The Program Director of ABC AmeriCorps Program decided to host a very important meeting at his home and serve beer and pizza hoping that everyone would attend. The purpose of the meeting was to discuss changes to the new CNCS Grant Terms & Conditions that affected the program.

Because it was a business meeting, he decided to charge the cost of the beer and pizza to the AmeriCorps grant, especially since he was providing the use of his home.

IS THIS ALLOWABLE?



Financial Management Principles



- REASONABLE COSTS:

A cost is reasonable if it does not exceed what a prudent person would do under the circumstances at the time the decision was made to incur the cost.

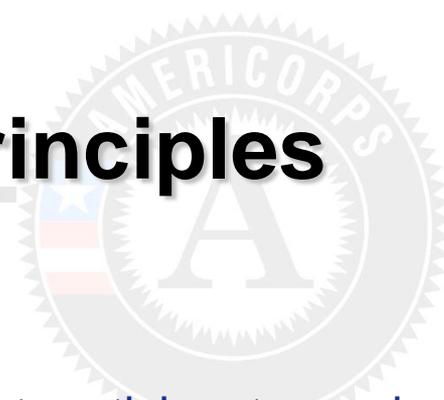
Consideration should be given to:

- Whether the cost is ordinary and necessary for the operations of the organization;
- The restraints or requirements imposed by generally accepted sound business practices;
- Whether the individuals concerned acted with prudence; and
- Significant deviations from established practices which may unjustifiably increase the award costs.





Financial Management Principles



- **EXAMPLE: REASONABLE COSTS**

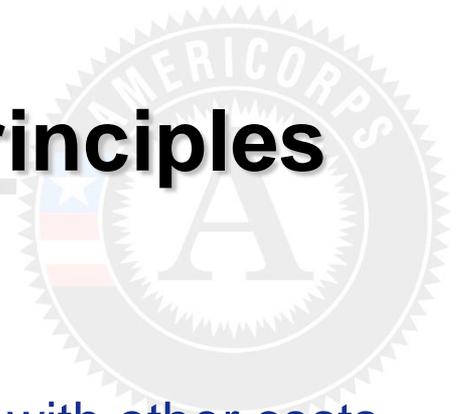
ABC AmeriCorps Program needs 5 laptops so that participants can learn basic computer skills. When deciding on the model that would best suit its needs, the Program Director received 3 price quotes on various models and 2 were within the same general price range of \$650-\$700. However, one laptop appealed to him most – it met all the necessary specifications and also had a webcam, mobile broadband, 21” HD widescreen, and 8 built-in speakers and a subwoofer.

Although the basic models were adequate, the more appealing one was \$2,999, on sale, and came in crimson red, the Program’s team color, so the Program Director ordered 5 of these laptop computers.

IS THIS REASONABLE?



Financial Management Principles



- ALLOCABLE COSTS:

A cost is allocable if it is treated consistently with other costs incurred for the same purpose in like circumstances and if it:

- Is incurred specifically for the award;
- Benefits both the award and other work and can be distributed in reasonable proportion to the benefits received; or
- Is necessary to the overall operation of the organization.

Any cost allocable to a particular award may not be shifted to other federal awards to overcome funding deficiencies or to avoid restrictions imposed by law or by the terms of the award.



Financial Management Principles



- **EXAMPLE: ALLOCABLE COSTS**

When the crimson red laptops finally arrived, the Program Director found that funds allocated for supplies for the ABC AmeriCorps Program were fully expended.

Although the laptops were to be used only for the AmeriCorps Program, ABC had another CNCS-funded program through a Senior Corps program, so the Program Director told the accountant to charge the cost to the Senior Corps program since CNCS was also funding the program.

IS THIS ALLOCABLE?



Financial Management Principles

- CONSISTENTLY APPLIED:

Grantees must be consistent in assigning costs:

- Whether a direct cost or an indirect cost;
- Regardless of the source of funding (e.g. federally or non-federally sponsored activities); and
- Following written cost allocation plan, as applicable.

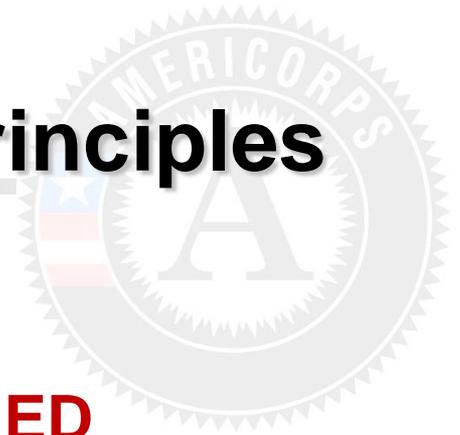
Key wording in the cost principles:

- 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.





Financial Management Principles



- **EXAMPLE: CONSISTENTLY APPLIED**

The ABC AmeriCorps Program was running low on office supplies and postage stamps.

Since the Program Director couldn't wait any longer for the Office Manager to provide the supplies, he purchased them and charged them to the ABC grant.

IS THIS CONSISTENTLY APPLIED?





Cost Types



- DEFINITION: COST TYPES

There are two types of costs as follows:

- Direct Costs

- *Specific expenses related to the operations of a specific project.*

- Indirect / Administrative Costs

- *General expenses related to overall administration of an organization receiving CNCS funds.*
- *Expenses incurred for common or joint objectives and cannot be readily identifiable with a specific project or cost objective.*



Cost Types



Direct Costs

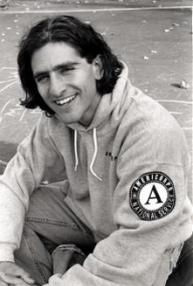
Examples:

- Allowable, direct expenses for Members (*e.g. living allowance, FICA, healthcare*)
- Costs for staff to train, recruit or supervise Members
- Supplies, including Member gear
- Evaluation of the program
- Travel
- Training

Indirect or Administrative Costs

Examples:

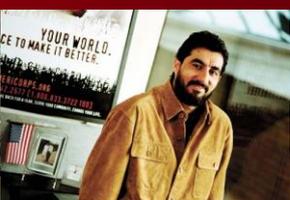
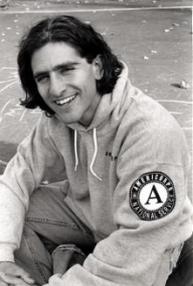
- Accounting, auditing, general legal service
- Facility occupancy costs (*e.g. rent, utilities, insurance*)
- General liability insurance
- Costs for internal evaluation
- General and/or administrative salaries and/or wages



Cost Types



- Examples of **unallowable** costs include:
 - Lobbying
 - Fines and penalties
 - Expenses not necessary to meet program objectives
 - 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





Overview of Grantee Share (Match)



- PROJECT COSTS

The total allowable budget or expenditures incurred to operate the program and accomplish its objectives is divided into two sections:

- **CNCS Share**

- *Portion of the budget or total expenditures paid for with CNCS funds.*

- **Grantee Share (aka Match)**

- *Portion of the total expenditures not paid for with CNCS funds.*

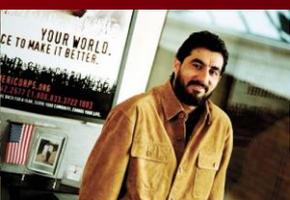
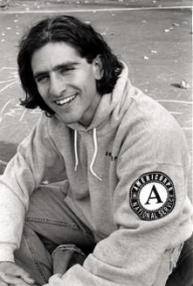
CNCS and Grantee Share funds must be treated consistently.



Overview of Grantee Share (Match)

- The goal of Grantee Share (Match) is sustainability.
- Grantees are required to meet an overall match rate that increases over time (see the chart below).
- Grantees have the flexibility to meet the overall minimum match requirement in any of the three budget categories.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Overall Minimum Share		24%		26%	30%	34%	38%	42%	46%	50%



Overview of Grantee Share (Match)



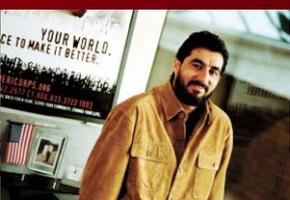
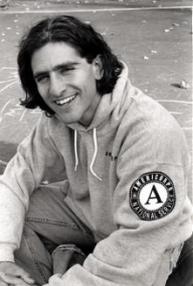
SOURCES OF MATCH

– Cash Contributions

- *Contributions received by cash, check, electronic funds transfer, credit card, or payroll deduction*

– In-Kind Contributions

- *Value of non-cash contributions; may be in the form of real property, equipment, supplies, services, and other expendable property*

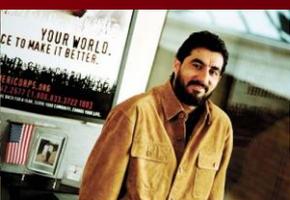
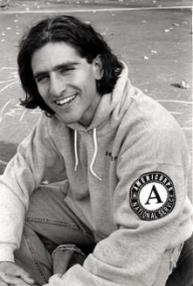


Overview of Grantee Share (Match)

DETERMINING ACCEPTABLE MATCH

Cash and in-kind contributions are accepted as part of the grantee's cost sharing or matching when contributions meet all of the following criteria:

- Are verifiable from the grantee's records
- Are necessary and reasonable for proper and efficient accomplishment of project or program objectives
- Are allowable under the applicable OMB cost principles
- Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching
- Are provided for in the approved budget (allowable under program guidelines)
- Conform to other grant provisions or OMB Circulars



Overview of Grantee Share (Match)



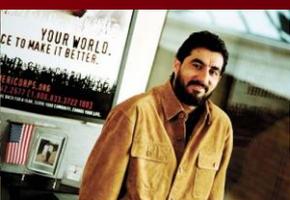
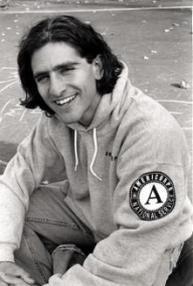
Note: Volunteer Match

– DO count as match

- *Services that contribute to organizational functions*
 - *Count services such as accounting, legal, or training of staff or participants (Members) that are elements of the grantee's cost allocation plan.*

– DO NOT count as match

- *The value of direct community services performed by volunteers*



Overview of Grantee Share (Match)

Note: Using Other Federal Funds as Match

– Budgeting

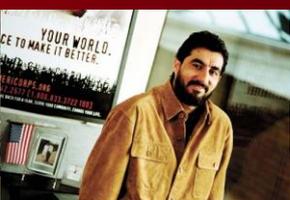
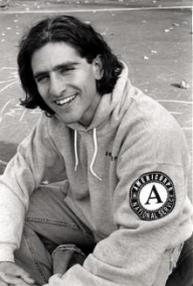
- *Discuss your intent to use other federal funds to match a CNCS grant with the other agency before submitting your application.*

– AmeriCorps

- *Serve America Act of 2009 requires grantees and sub-grantees to report the amounts and sources of federal funds used to carry out programs on the Federal Financial Report (FFR)*

– Documentation

- *Document in your records whether in-kind contribution was obtained with federal funds.*



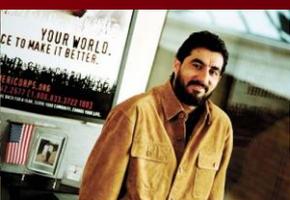
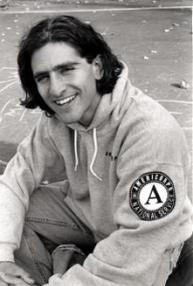


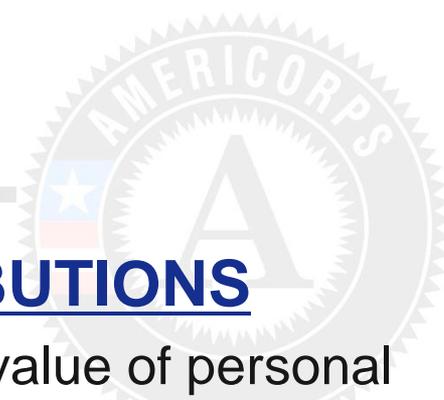
In-Kind Contributions

- VALUING IN-KIND CONTRIBUTIONS

1. Use fair market price
2. Consider what it would cost to obtain similar goods or services
3. The donor must provide the value of the donation
4. Review the donation letter or form to ensure the value is reasonable

The IRS defines ***fair market value*** as the price that item would sell for on the open market





In-Kind Contributions

• DOCUMENTING IN-KIND CONTRIBUTIONS

- Document the basis for determining the value of personal services, material, equipment, building, and land.
- Obtain written acknowledgement from the donor to include:
 - *Name and signature of the donor*
 - *Date and location of donation*
 - *Detailed description of contributed item or service*
 - *Estimated value of contribution, how value was determined, who made the determination*
 - *Whether the contribution was obtained with federal funds*

*****Keep a copy of the receipt / invoice in your files!*****

Note: If audited, a grantee may be required to provide supporting documentation of ALL donations, if not available during the audit.



In-Kind Contributions



RECORDING IN-KIND CONTRIBUTIONS

- Maintain adequate documentation to support the amounts claimed as match
- Maintain the same documentation for both CNCS Federal share and for grantee's share
- Documentation must meet the same standards as other expenditures within organization
- Record the 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 a formal explanatory policy and separate spreadsheet accountability of receipt and use*
 - *Example: A local paint store donates a professional paint sprayer with a fair market value of \$550.00.*

\$550.00 – 7250: In-Kind Expense Account (debit)

\$550.00 – 5250: In-Kind Income Account (credit)





Documentation



- **DOCUMENTATION GUIDELINES**

- All expenses should have supporting documentation that directly relates to grant expenses.
- The organization record retention policy should correlate to grant guidelines.
- Documentation should support expenditure for: reasonableness, necessity, allocability, allowability, and adherence to grant guidelines.





Documentation



- WHY DOCUMENT?

- To track incoming information
- To review information
- To provide historical evidence
- To provide evidence of accomplishments
- To prepare for an audit

Detailed training on supporting documentation is provided to funded organizations prior to the start of the grant year.



Financial Reporting



MCSC requires two types of Financial Reporting:

Monthly = PER (Periodic Expense Report)

**Serves as the basis for monthly reimbursements.*

Quarterly = AFR (Aggregate Financial Report)

Detailed training on financial reporting is provided to funded organizations prior to the start of the grant year.



Financial Reporting



- KEY ELEMENTS

- Prepare all financial reports with information from the organization's accounting system
- Review and reconcile the information to ensure accuracy prior to financial report submission
- Ensure files have the proper documentation to support all information reported in financial reports



Financial Reporting



- CRITICAL ELEMENTS:

- Timely – Submit reports on time; ensure all deadlines are met.
- Accurate – Use accounting data that has been reviewed and reconciled.
- Complete – Reports should contain all pertinent information relating to the appropriate reporting period.

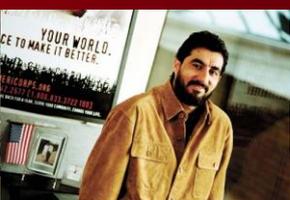
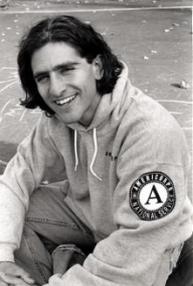


Financial Reporting



- ADDITIONAL NOTES

- The grant is reimbursement-based; no advances are allowed.
- Reimbursement is made based on actual expenses incurred.
- Reimbursements may not be for estimated, unauthorized, or unallowable expenses.
- Invoices must be for approved and budgeted expenditures that programs have already incurred.



Record Retention Policy



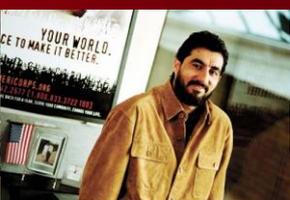
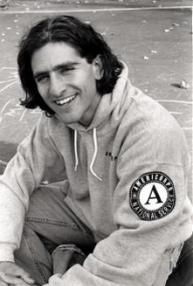
- AmeriCorps Programs must retain all records as follows:

– Financial Records

- *3 years from submission of the final Federal Financial Report (submitted by the Commission, not the program)*
- *If there is an on-going audit, then records must be retained until all audit findings are resolved.*

– Member Records

- *7 years after [Member] service has been completed*



QUESTIONS?



BREAK!!





Part 2



AmeriCorps Budget Composition





Session Topics



- **Budget Basics**
- **Effective Budget Management**
- **Budget Narrative Guidelines**
- **Budget Sections & Categories**
 - **Section I: Program Operating Costs**
 - **Section II: Member Costs**
 - **Section III: Administrative / Indirect Costs**
 - **Sources of Match**
- **Budget – Final Review Checklist**
- **Online Resource**



Budget Basics

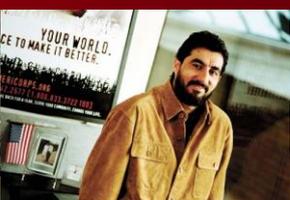
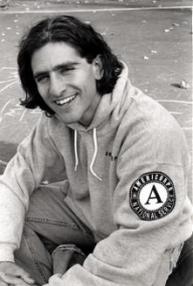


A good budget design is essential.

A good budget design will ensure that you:

- Establish realistic scope
- Cover the details
- Have a highly competitive proposal
- Have compliance with requirements
- Have a solid guide for program execution
- Define expectations

The proposed budget should be sufficient to allow you to perform the tasks described in the application narrative.





Budget Basics



- **Functions of the AmeriCorps budget include:**
 - Becomes part of the grantee's contractual obligation
 - Serves as a blueprint for the activities supported under the grant
 - Helps ensure conformance to provisions and regulatory restrictions
 - Used to monitor and measure progress towards meeting matching requirements
 - Used to monitor and compare budget to actual expenses.



Budget Basics



An effective budget must be...

Realistic

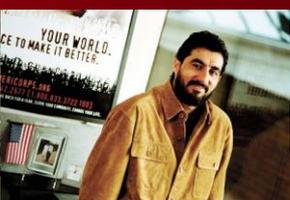
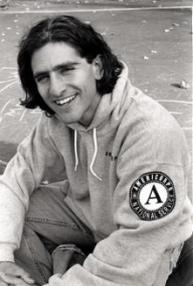
- Reflects expected program revenues and expenses and its capacity to carry out program activities

Consistent

- Aligned with program goals and objectives

Flexible

- A project's financial and operating circumstances can often change and must have a budget that can adapt to changing circumstances.



Effective Budget Management

1. Determine needs of community being served

2. Set up program/project goals and objectives

3. Decide strategy to accomplish goals

4. Translate strategy to dollars

5. Prepare budget

6. Set up budget control process

7. Compare budgeted to actual expenses

8. Modify budget as necessary



Effective Budget Management

• WHAT ARE BUDGET CONTROLS?

- Reviews of budget to actual expenses regularly to avoid cost overruns
 - *Joint review by both program and fiscal staff to ensure maximum efficiency*
- Identification of expenditures not budgeted to ensure they can be claimed
- Identification of costs that need approval before they are incurred

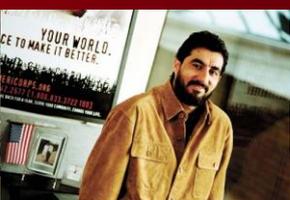
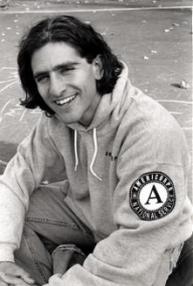


Effective Budget Management

AmeriCorps programs must obtain prior approval from MCSC for:

- Contracts not included in approved application and budget
- Specific costs described in the Cost Principles
 - For example: overtime pay, rearrangement and alteration costs, and pre-award costs
- Cumulative or aggregate budget line items that amount to 10% or more of the total budget

NOTE: Don't assume approvals have been granted unless documented.



Budget Narrative Guidelines

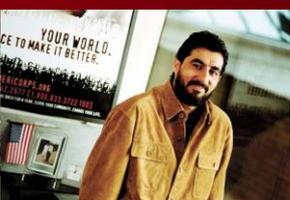
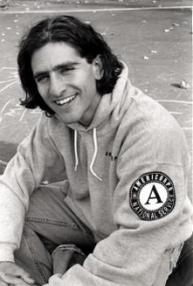
Note: The Budget Narrative is not to be confused with the Cost Effectiveness narrative.

- Review your program/project's goals and objectives.
- Estimate the resources needed to achieve program/project goals, e.g.:
 - Members
 - Staff positions
 - Space, utilities, telephone
 - Medical and liability insurance
 - Supplies, Member gear (uniforms)
 - Transportation/Travel



Budget Narrative Guidelines

- Follow instructions outlined in the Notice of Funding Opportunity (NOFO) and Application Instructions published by CNCS.
 - Also, adhere to the budget requirements outlined in the MO-specific Application Guidelines.
- Organize narrative to fit budget categories on budget form/template or proposal.
- Provide adequate descriptions and calculations to support amounts.



Budget Narrative Guidelines



- Allocate costs based on a consistent and documented cost allocation plan.

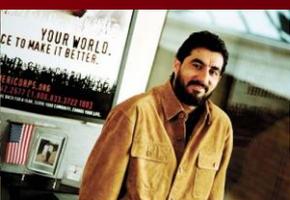
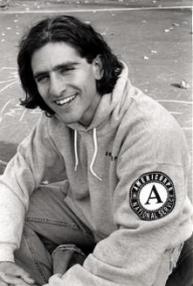
The plan can be based on level of effort or usage, for example:

– Level of Effort:

- *Calculation: % of time spent on the activity x salary*

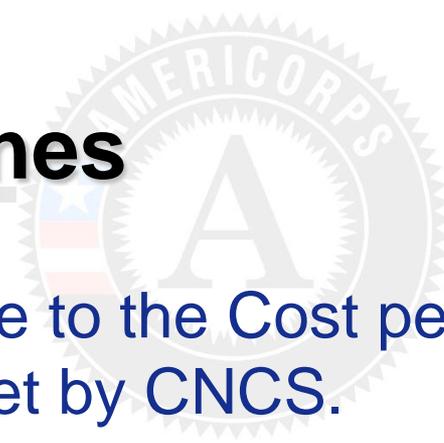
– Rent:

- *Calculation: total space dedicated to the CNCS program ÷ total host agency space*



Budget Narrative Guidelines

- **REQUIRED:** The budget must adhere to the Cost per Member Service Year (MSY) limits set by CNCS.
 - One MSY is equivalent to a 1700-hour, full-time Member Slot.
 - Cost per MSY does not include childcare or the amount of the education award.
 - Cost per MSY = CNCS Share of the Budget ÷ Number of MSYs Requested
- **Maximum Cost per MSY for 2015-2016**
 - **State Formula (Traditional): \$13,730**
 - **Professional Corps: \$1,000**
 - **State Competitive Fixed Amount: \$13,430**



Budget Narrative Guidelines

AS YOU PREPARE YOUR BUDGET:

- All the amounts you request must be defined for a particular purpose. Do not include miscellaneous, contingency or other undefined budget amounts.
- Itemize each cost and present the basis for all calculations in the form of an equation.
- Do not include unallowable expenses
- Do not include fractional amounts (cents)
- Check and double-check your math!!

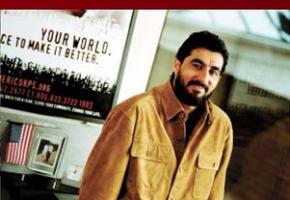
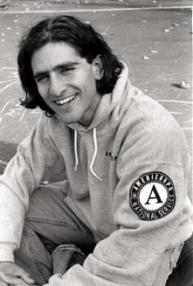


Budget Narrative Guidelines



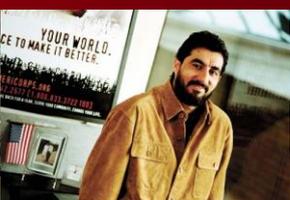
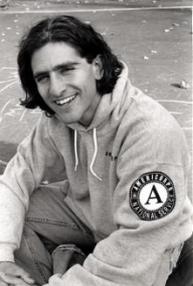
KEY BUDGETING TIPS:

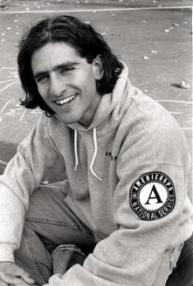
1. Check to ensure that the minimum required match is met.
2. Be strategic when allocating funds to CNCS or Grantee Share (Match).
3. Be aware of budget changes that require amendments.
4. Identify in-kind donations prior to creating the budget.
5. Identify the sources of match.



Budget Sections & Categories

- **The budget is comprised of three (3) main sections:**
 - Section I: Program Operating Costs
 - Section II: Member Costs
 - Section III: Administrative/Indirect Costs
- **Remember that budgeted expenditures are divided into CNCS share and Grantee share.**
 - Grantee share may be either Grantee Cash or Grantee In-Kind





Budget Sections & Categories



SECTION I: PROGRAM OPERATING COSTS	
A.	Personnel Expenses
B.	Personnel Fringe Benefits
C.1.	Staff Travel
C.2.	Member Travel
D.	Equipment
E.	Supplies
F.	Contractual and Consultant Services
G.1.	Staff Training
G.2.	Member Training
H.	Evaluation
I.	Other Program Operating Costs



A. Personnel Expenses



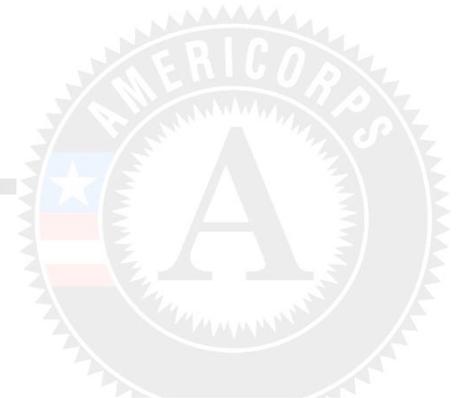
- INSTRUCTIONS:

Under “Position/Title Description,” **list each staff position separately** and provide salary and percentage of effort as percentage of FTE devoted to this award.

- Each staff person’s role should be listed and described in the Application Narrative.
- DO NOT include the value of direct community service performed by volunteers.
- However, you may include the value of [in-kind] services contributed for organizational functions (*e.g. accounting, audit work, training of staff/Members*).



A. Personnel Expenses



Example:

A. Personnel Expenses						
Position Title/Description	Qty	Annual Salary	% Time	Total Amount	CNCS Share	Grantee Share
Program Director	1	\$40,000	50%	\$20,000	\$0	\$20,000
Financial Manager	1	\$35,000	15%	\$5,250	\$0	\$5,250
Totals:				\$25,250	\$0	\$25,250

MO-Specific Note:

Organizations should have at least one staff member who spends a minimum of 50% of time in direct support of the project.

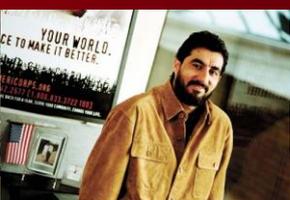
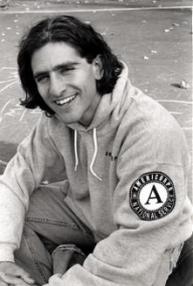


B. Personnel Fringe Benefits

• INSTRUCTIONS:

Under “Purpose/Description,” **identify the types of fringe benefits** to be covered and the costs of benefit(s) for each staff position.

- **Allowable Fringe Benefits:** FICA, Worker’s Compensation, Retirement, SUTA, Health & Life Insurance, IRA, and 401K.
- **Note:** Holidays, leave, and other vacation benefits should not be included in the fringe benefit rate, as they are absorbed in personnel expenses (salary).



B. Personnel Fringe Benefits



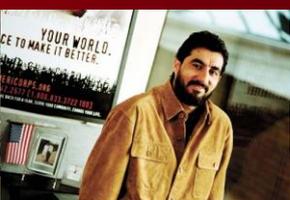
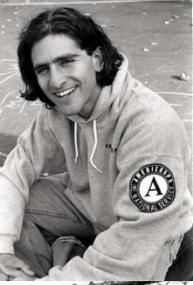
Example:

B. Personnel Fringe Benefits				
Purpose/Description	Calculation	Total Amount	CNCS Share	Grantee Share
Program Director	\$40,000 x 50% of time x 24% benefit rate	\$4,800	\$0	\$4,800
Financial Manager	\$35,000 x 15% of time x 24% benefit rate	\$1,260	\$0	\$1,260
Totals:		\$6,060	\$0	\$6,060

Note:

1.) You may provide a calculation for total benefits as a percentage of the salaries to which they apply or list each benefit as a separate item.

2) If a fringe benefit is over 30%, list the covered items separately and justify the high cost.





C.1. Staff Travel



- INSTRUCTIONS:

Describe the purpose for which program staff will travel.

- The calculation should include itemized costs for airfare, transportation, lodging, per diem, and other travel-related expenses multiplied by the number of trips or staff.
- Identify the current standard reimbursement rate(s) of the organization for mileage, daily per diem, lodging, and similar supporting information.
- Only domestic travel is allowable.





C.1. Staff Travel



- LIMITATIONS (MCSC POLICIES):

Mileage:

- **CNCS Share:** Budgeted mileage may not exceed **\$0.37 / mile**
- **Grantee Share:** Budgeted mileage may not exceed **\$0.565 / mile**

Lodging:

- **CNCS Share:** *Note that reimbursement will be restricted based on Continental United States (CONUS) rates.*

Meals Per Diem:

- **CNCS Share:** *Note that reimbursement will be restricted based on State of Missouri Department of Economic Development allowable rates.*



C.1. Staff Travel

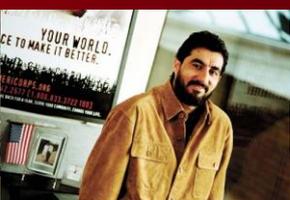
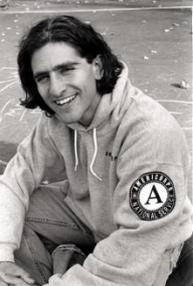


Example:

C.1. Staff Travel				
Purpose	Calculation	Total Amount	CNCS Share	Grantee Share
National Conference on Volunteering & Service	2 staff x \$1,500 (\$300 registration, \$550 airfare, \$100 ground transport, \$400 lodging, \$150 for 3-day per diem)	\$3,000	\$0	\$3,000
Program Director Training	2 staff x 2 meetings x \$147 (260 mi roundtrip at .565/mi)	\$588	\$0	\$588
Totals:		\$3,588	\$0	\$3,588

MO-Specific Notes:

- **Statewide Meetings/Trainings:** All project budgets should include funds necessary for travel to 2 statewide events/meetings.
- **National Conference on Volunteering & Service:** All project budgets should include a minimum of \$1,500 per staff person to attend the NCVS at least one year of a 3-year grant cycle.





C.2. Member Travel

- INSTRUCTIONS:

Describe the purpose for which Members will travel.

- The calculation should include itemized costs for airfare, transportation, lodging, per diem, and other travel-related expenses for Members to travel outside their service location or between sites.
- Costs associated with local travel (*e.g. bus passes to local sites, mileage reimbursement for use of car, etc.*) should be in this category.
- Identify the current standard reimbursement rate(s) of the organization for mileage, daily per diem, lodging, and similar supporting information.





C.2. Member Travel



- LIMITATIONS (MCSC POLICIES):

Mileage:

- **CNCS Share:** Budgeted mileage may not exceed **\$0.37 / mile**
- **Grantee Share:** Budgeted mileage may not exceed **\$0.565 / mile**

Lodging:

- **CNCS Share:** *Note that reimbursement will be restricted based on Continental United States (CONUS) rates.*

Meals Per Diem:

- **CNCS Share:** *Note that reimbursement will be restricted based on State of Missouri Department of Economic Development allowable rates.*



C.2. Member Travel



Example:

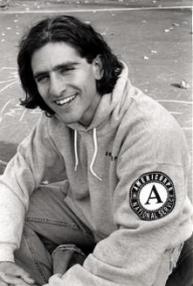
C.2. Member Travel

Purpose	Calculation	Total Amount	CNCS Share	Grantee Share
AmeriCorps State Events	3 vehicles x 2 events x \$147 (260 mi roundtrip at 0.565/mi)	\$882	\$0	\$882
Mileage Reimbursement for Local Travel	10 Members x 500 local mi x 0.37/mi	\$1,850	\$1,850	\$0
Totals:		\$2,732	\$1,850	\$882

MO-Specific Note:

- **Statewide Meetings/Trainings:** All project budgets should include funds necessary for travel to 2 statewide events/meetings.





D. Equipment



- Equipment is defined as:
 - Tangible, non-expendable personal property;
 - Having a useful life of more than one year; **AND**
 - An acquisition cost of **\$5,000 or more per unit.**

Any items that do not meet this definition should be included in the “E. Supplies” budget category.





D. Equipment



- **MCSC POLICY (EQUIPMENT):**

- It is the policy of the MCSC that funded programs **should not** purchase office equipment such as: laptops, printers, copiers and other office equipment **with federal funds.**
- At no time should a funded program reallocate funds to purchase office equipment.
- Programs must be aware that the use of all grant funds must be in compliance with CNCS statutes, terms and conditions as well as MCSC policies.





E. Supplies



- INSTRUCTIONS:

Include the amount of funds to purchase consumable supplies and materials, including Member service gear and equipment that does not fit the previous criteria.

- Any single item costing \$1,000 or more must be listed individually.
- Member Service Gear
 - *Only Member service gear with the AmeriCorps logo may be purchased with CNCS funds.*
- Safety Gear
 - *All safety gear (e.g. safety goggles, work gloves) may be purchased with CNCS funds, regardless of whether or not it has the AmeriCorps logo – must be consistent with program goals / objectives.*



E. Supplies



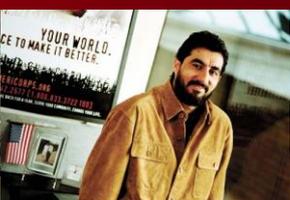
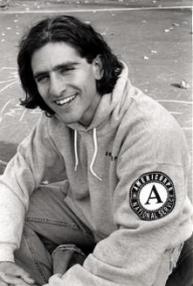
Example:

E. Supplies

Purpose	Calculation	Total Amount	CNCS Share	Grantee Share
Office Supplies	Paper, pens, staplers, staples, paper clips – based on budgeted allocation	\$1,000	\$0	\$1,000
Member Service Gear	10 Members x \$30 per AmeriCorps Welcome Packet (Good Deed)	\$300	\$300	\$0
Totals:		\$1,300	\$300	\$1,000

Note:

- **Member Service Gear:** AmeriCorps Members are required to wear an AmeriCorps logo daily while in service. Grantees may add the AmeriCorps logo to their own local program uniform items.



F. Contractual & Consultant Services

- INSTRUCTIONS:

Include costs for consultants related to the project's operations, except training or evaluation consultants who will be included in Section G. (Training) or Section H. (Evaluation).

- There is not a maximum daily rate.
- Consulting contracts and invoices to support work should be retained.





G.1. Staff Training



- INSTRUCTIONS:

Include the costs associated with training staff on project requirements and training to enhance the skills staff need for effective project implementation.

- Examples include project or financial management, team building, etc.
- Note: If using a consultant(s) for training, indicate the estimated daily rate.
- There is no maximum daily rate.

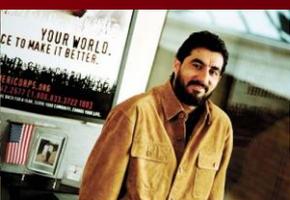
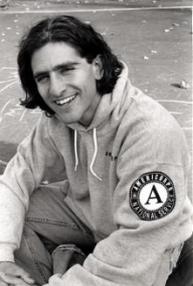


G.1. Staff Training



Example:

G.1. Staff Training				
Purpose	Calculation/Daily Rate	Total Amount	CNCS Share	Grantee Share
Quarterly Staff Professional Development	2 program staff x 4 PD sessions x \$250/session	\$2,000	\$0	\$2,000
Totals:		\$2,000	\$0	\$2,000



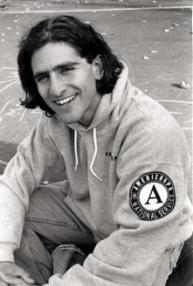
G.2. Member Training



- INSTRUCTIONS:

Include the costs associated with Member training to support them in carrying out their service activities.

- This section may be used to indicate costs for Life After AmeriCorps training.
- If using a consultant(s) for training, indicate the estimated daily rate.
- There is no maximum daily rate.

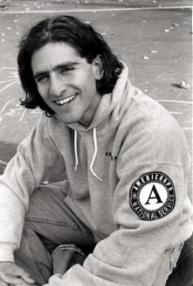


G.2. Member Training



Example:

G.2. Member Training				
Purpose	Calculation/Daily Rate	Total Amount	CNCS Share	Grantee Share
Monthly In-Service Training	10 in-service training sessions x \$145/session (includes \$75/session for room fee and \$70/session meal per diem)	\$1,450	\$0	\$1,450
Regional Show-Me Service Event & Life After AmeriCorps Training	2 sessions x \$100/session (includes \$30/session for materials and \$70/session meal per diem)	\$200	\$0	\$200
Totals:		\$1,650	\$0	\$1,650





H. Evaluation



- INSTRUCTIONS:

Include costs for project evaluation activities, including additional staff time or subcontracts, use of evaluation consultants, purchase of instrumentation, and other costs specifically for this activity not budgeted in Personnel Expenses.

- This cost does not include the daily/weekly gathering of data to assess progress toward meeting performance measures.
- This cost is for a larger assessment of the impact the project is having on the community as well as an assessment of the overall systems and project design.
- Indicate daily rates of consultants, where applicable.



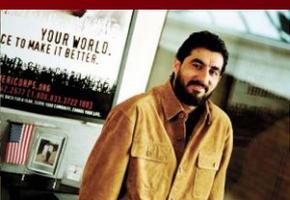
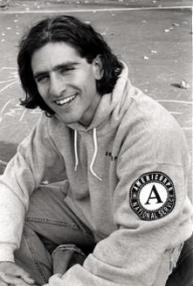
H. Evaluation



Example:

H. Evaluation

Purpose	Calculation/Daily Rate	Total Amount	CNCS Share	Grantee Share
External Evaluation (Organizational Processes & Systems)	\$200/month x 10 months of assessment and evaluation x 25% project allocation	\$500	\$0	\$500
		Totals:	\$0	\$500





I. Other Program Operating Costs

- INSTRUCTIONS:

Allowable costs in this budget category include the following, when applicable:

- **Criminal History Checks:** Costs for all individuals in a covered position. An individual in a covered position is anyone receiving a salary, living allowance, stipend, or education award from the grant (from either the federal or non-federal share).
- **Office Space Rental:** Costs for office space rental for projects operating without an approved indirect cost rate agreement that covers office space.
 - *If space is budgeted and it is shared with other projects/activities, the costs must be equitably pro-rated and allocated between the projects/activities.*



I. Other Program Operating Costs

Allowable costs (continued):

- **Utilities**: Costs for utilities, telephone, internet and similar expenses that are specifically used for AmeriCorps Members and project staff, and are not part of the organization's indirect cost allocation pool.
 - *If such expenses are budgeted and shared with other projects/activities, the costs must be equitably pro-rated and allocated between the projects/activities.*
- **Recognition Events**: Costs for Member recognition events.
 - *List each item and provide a justification in the budget narrative.*
 - *Gifts and/or food in an entertainment/event setting are not allowable costs.*



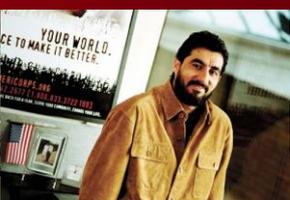
I. Other Program Operating Costs



Example:

I. Other Program Operating Costs

Purpose	Calculation	Total Amount	CNCS Share	Grantee Share
Criminal History Background Checks	2 program staff and 10 Members x \$37.50/criminal record check	\$450	\$0	\$450
Space and utilities allocation	\$250/month x 12 months (office space, telephone, internet, equipment usage)	\$3,000	\$0	\$3,000
Totals:		\$3,450	\$0	\$3,450



Budget Sections & Categories

SECTION II: MEMBER COSTS

A.

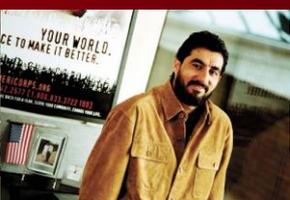
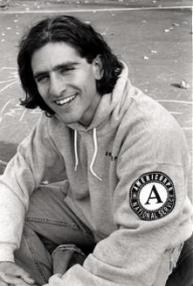
Living Allowances

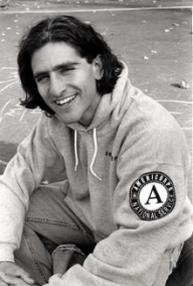
- *Full-time (1700 hours)*
- *1-Year Half-time (900 hours)*
- *Reduced Half-time (675 hours)*
- *Quarter-time (450 hours)*
- *Minimum-time (300 hours)*

B.

Member Support Costs

- *FICA [for Members]*
- *Worker's Compensation [for Members]*
- *Health Care [for Members]*
- *Other Member Support Costs*





A. Living Allowance



OVERVIEW:

AmeriCorps Members receive a living allowance during the term of service. The living allowance is designed to help Members meet the necessary living expenses incurred while participating in the AmeriCorps program.

INSTRUCTIONS:

The budget narrative should clearly identify the number of Members supported by service term category and the amount of living allowance they will receive, allocating the appropriate portion between the CNCS and Grantee [Cash] Shares.





A. Living Allowance



- GUIDANCE:

- Full-time Members must receive a minimum living allowance of \$12,530 and maximum of \$25,060.
- Funded programs are not required to provide a living allowance to less than full-time Members.
 - *If a living allowance is provided, then adhere to the limits outlined in the NOFO.*
- Professional Corps Grantees Members must receive a living allowance or salary, which must meet the minimum, but may exceed the maximum living allowance set. Their salaries are paid entirely by the organizations with which the Members serve and should not be included in the budget. In addition, the living allowance provided to AmeriCorps Members does not count toward the match requirement.





A. Living Allowance



- GUIDANCE (cont):

- A living allowance is not a wage and programs may not pay living allowances on an hourly basis.
- Programs must distribute the living allowance at regular intervals and in regular increments, and may increase living allowance payments only on the basis of increased living expenses.
- Living allowance payments may only be made to a participant during the participant's term of service.
- Living allowance payments must cease when the participant concludes the term of service.





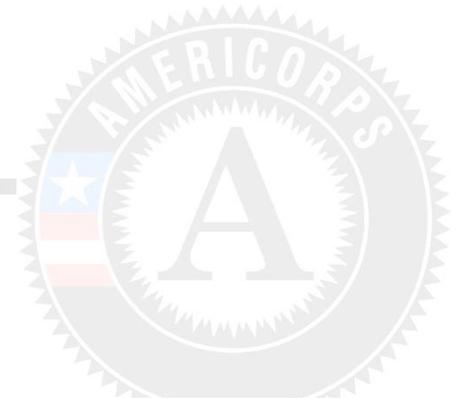
A. Living Allowances

Living Allowance amounts for 2015-2016 are as follows:

Service Term	Minimum # of Hours	Minimum Living Allowance	Maximum Living Allowance
Full-time	1700	\$12,530	\$25,060
Half-time	900	n/a	\$13,265
Reduced Half-time	675	n/a	\$ 9,950
Quarter-time	450	n/a	\$ 6,635
Minimum-time	300	n/a	\$ 4,420

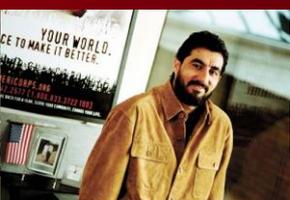
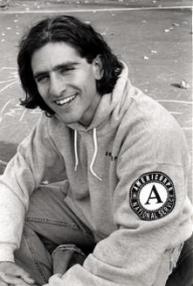


A. Living Allowance



Example:

A. Personnel Expenses						
Item	# Mbrs	Living Allowance Rate	# w/o Living Allowance	Total Amount	CNCS Share	Grantee Share
Full-time (1700 hrs)	6	\$12,530	-	\$75,180	\$75,180	\$0
Half-time (900 hrs)	4	\$6,265	4	\$25,060	\$25,060	\$0
Reduced Half-time (675 hrs)	-	-	-	-	-	-
Quarter-time (450 hrs)	-	-	-	-	-	-
Minimum-time (300 hrs)	-	-	-	-	-	-
Totals:				\$100,240	\$100,240	\$0



B. Member Support Costs



- INSTRUCTIONS:

Consistent with the laws of the state(s) where Members will serve, the following benefits must be provided to Members:

- **FICA:** Unless exempted by the IRS, all projects must pay FICA for any Member receiving a living allowance, even when CNCS does not supply the living allowance.
 - *If exempted, please note this in the Application Narrative.*
 - *Indicate the number of Members who will receive FICA and calculate the FICA at 7.65% of the total amount of living allowances.*



B. Member Support Costs



- INSTRUCTIONS (cont):

- Worker's Compensation: Some Missouri employers may be required to insure their worker's compensation obligations for AmeriCorps Members.
 - *Grantees may consult the Missouri Workers' Compensation Law, Section 287.010, et seq., RSMo or contact the Missouri Department of Labor and Industrial Relations, Workers' Compensation Division at 800-775-2667 to determine worker's compensation requirements.*
 - *If worker's compensation is not required, then the organization must obtain Occupational, Accidental, and Death and Dismemberment coverage for Members to cover in-service injuries or incidents.*

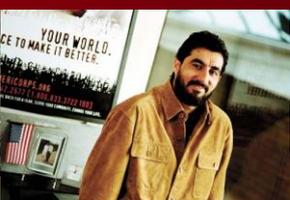
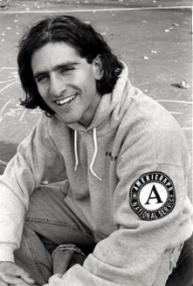


B. Member Support Costs



- INSTRUCTIONS (cont):

- **Health Care:** Grantees must offer or make available health care benefits to full-time Members in accordance with AmeriCorps requirements. Indicate the number of Members and the applicable health care rate.
 - *You may not pay health care benefits to less-than-full-time Members with CNCS funds, unless they are less-than-full-time Members serving in a full-time capacity for a sustained period of time (e.g. full-time summer project).*
 - *You may choose to provide health care benefits to less-than-full-time Members from non-federal sources (Grantee Share).*
 - *CNCS WILL NOT pay for dependent coverage.*



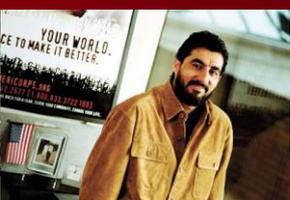
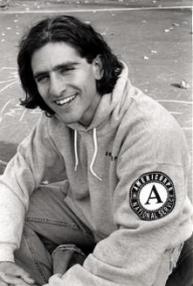
B. Member Support Costs



- INSTRUCTIONS (cont):

- Unemployment and Other Member Support Costs: The U.S. Department of Labor ruled on April 20, 1995, that federal unemployment compensation law **does not** require coverage for Members because no 'employer-employee' relationship exists.

- *The grantee **may not** charge the cost of unemployment insurance taxes to the grant unless mandated by law.*
- *Include any other required Member Support Costs in this section, if applicable.*



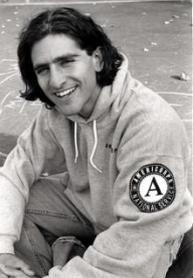
B. Member Support Costs

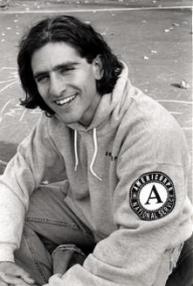


Example:

H. Evaluation

Purpose	Calculation/Daily Rate	Total Amount	CNCS Share	Grantee Share
FICA for Members	\$100,240 x 7.65%	\$7,669	\$7,669	\$0
Workers Compensation	\$100,240 x \$5.85/\$100	\$5,864	\$0	\$5,864
Health Care	6 Members x \$199.34/month x 12 months	\$14,352	\$7,176	\$7,176
Unemployment/Other Member Support Costs	<i>n/a</i>	-	-	-
Totals:		\$27,885	\$14,845	\$13,040





Side Bar: Education Award



- AmeriCorps Members who successfully complete a term of service will receive an Education Award from the National Service Trust.

*****The value of Education Awards are not to be included in your budget.***

- These funds may be used only to pay current educational expenses or to repay qualified student loans.
- Members may earn up to the value of two full-time education awards and have 7 years to use this benefit.



Side Bar: Education Award



- 2015-2016 Education Award amounts are as follows:

Service Term	Minimum # of Hours	FY15 Education Award
Full-time	1700	\$5,730.00
Half-time	900	\$2,865.00
Reduced Half-time	675	\$2,182.78
Quarter-time	450	\$1,515.55
Minimum-time	300	\$1,212.44

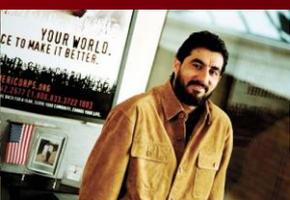
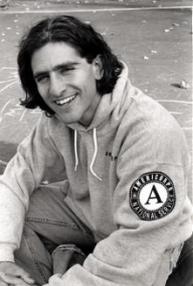


Budget Sections & Categories



SECTION III: ADMINISTRATIVE / INDIRECT COSTS

- | | |
|----|---|
| A. | Corporation Fixed Percentage Method <ul style="list-style-type: none">• <i>Corporation Fixed Amount</i>• <i>Commission Fixed Amount</i> |
| B. | Federally Approved Indirect Cost Rate |



Administrative / Indirect Costs

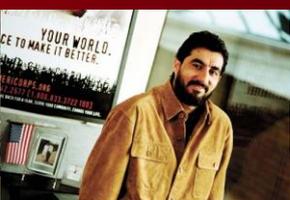
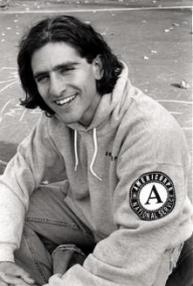
There are two methods to recover administrative/indirect costs:

A. **CNCS Fixed Percentage Method**

- **CNCS Share:** Limited to 5% of the total of CNCS funds budgeted/expended.
- **Grantee Share:** Limited to 10% of all direct costs represented in Section I (Program Operating Costs) and Section II (Member Costs).
- No documentation supporting allocation is required

B. **Federally Approved Indirect Cost Rate Method**

- Requires an approved rate from the Federal government
- Approved rate constitutes documentation of costs, including the 5% maximum payable by CNCS.





Note: Commission Fixed Amount

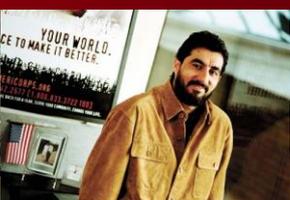
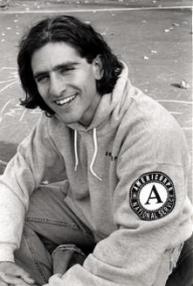
MCSC REQUIREMENT

The MCSC has elected to retain 1% of Administrative/Indirect Costs (CNCS Share) for oversight and monitoring.

Applicants **MUST** include this in their budget per the Application Instructions published by CNCS (*represented in the instructions / examples to follow*).

UPDATE (FEDERALLY APPROVED INDIRECT COST RATE):

Organizations with a Federally Approved Indirect Cost Rate are **no longer exempt** from the 1% Commission Fixed Cost requirement.





Side Bar



Sections I and II Totals:

Section Subtotals:				
		Total Amount	CNCS Share	Grantee Share
	Subtotal Section I:	\$46,530	\$2,150	\$44,380
	Subtotal Section II:	\$128,125	\$115,085	\$13,040
	Subtotal Sections I and II:	\$174,655	\$117,235	\$57,420



A. CNCS Fixed Percentage Method

If using the CNCS Fixed Percentage Method, the following calculations apply:

– Corporation Fixed Amount

- *CNCS Share:* [Total of the CNCS Share of Sections I and II] x 4.21%
- *Grantee Share:* [Total of CNCS and Grantee Shares of Sections I and II] x 10%

– Commission Fixed Amount

- *CNCS Share:* [Total of the CNCS Share of Sections I and II] x 1.05%
- *Grantee Share:* **N/A; do not attribute Commission Fixed Amount to Grantee Share.**

NOTE: Documentation is not required to support the allocation.



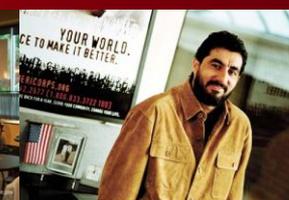
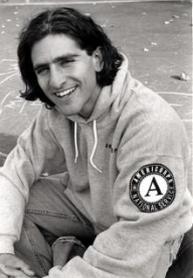
A. CNCS Fixed Percentage Method



Example:

A. Corporation –fixed Percentage Rate

Purpose	Calculation	Total Amount	CNCS Share	Grantee Share
Corporation Fixed Amount	CNCS Share: $\$117,235 \times 0.0421$ Grantee Share: $174,655 \times 0.10$	\$22,401	\$4,936	\$17,465
Commission Fixed Amount	$\$117,235 \times 0.0105$	\$1,231	\$1,231	\$0
Subtotal Section III:		\$23,632	\$6,167	\$17,465

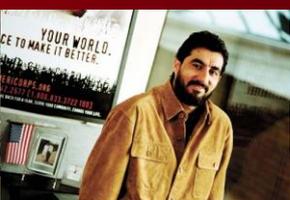
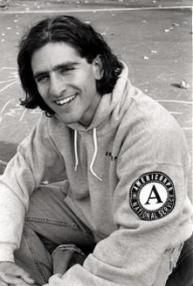


B. Federally Approved Indirect Cost Rate

Federally Approved Indirect Cost Rate

- **Documentation:** The organization must provide written documentation of the Federally Approved Indirect Cost Rate.
- **Cost Type:** Specify the cost type for which your organization has current documentation (*Provisional, Predetermined, Fixed, or Final Indirect Cost Rate*).
- **Base Amount of IDC Rate:** The indirect cost rate is prescribed on the documentation (*e.g. direct salaries, salaries & fringe benefits, etc.*)

NOTE: Documentation of a Federally Approved Indirect Cost Rate is required with submission of the grant application.





B. Federally Approved Indirect Cost Rate

If using a Federally Approved Indirect Cost Rate, the following calculations apply:

– **CNCS Share (2-part):**

- *For Grantee: [Total of the CNCS Share of Sections I and II] x 4.21%*
- *For Commission: [Total of CNCS Share of Sections I and II] x 1.05%*
- *Note: There is not a separate line for the Commission Fixed Amount. Therefore, it should be noted in the description/calculation.*

– **Grantee Share**

- *For Grantee: [Total of the CNCS and Grantee Shares of Sections I and II] x [Federally Approved Indirect Cost Rate less 5.26%]*

NOTE: Documentation is not required to support the allocation. This is separate from documentation of a Federally Approved Indirect Cost Rate.



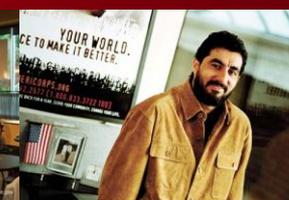
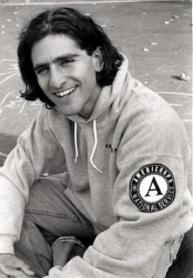
B. Federally Approved Indirect Cost Rate



Example:

B. Federally-Approved Indirect Cost Rate

Cost Type / Cost Basis / Rate / Calculation	Total Amount	CNCS Share	Grantee Share
Cost Type: Fixed; Cost Basis: Total Direct Costs; Rate: 12.96% CNCS Share (FAIDC): $\$117,235 \times 0.0421 = \$4,936$ CNCS Share (Commission Fixed Amt): $\$117,235 \times 0.0105 = \$1,231$ Grantee Share: $\$174,655 \times 0.0770 = \$13,448$	\$19,615	\$6,167	\$13,448
Subtotal Section III:	\$19,615	\$6,167	\$13,448





Sources of Match



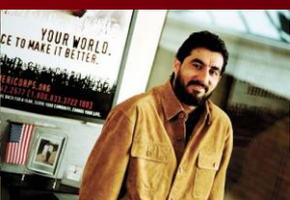
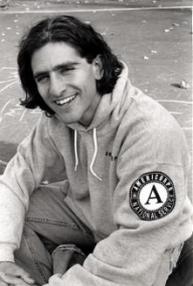
• INSTRUCTIONS:

- List the Sources of Grantee Share (Match) that will cover all Match represented in the budget. The list should include:
 - *A brief description of the Source of Match*
 - *The amount*
 - *The match classification (cash or in-kind)*
 - *Match source (state/local, federal, private, other, or not available)*



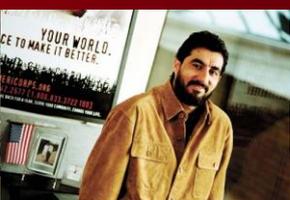
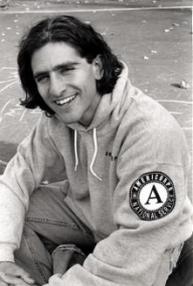
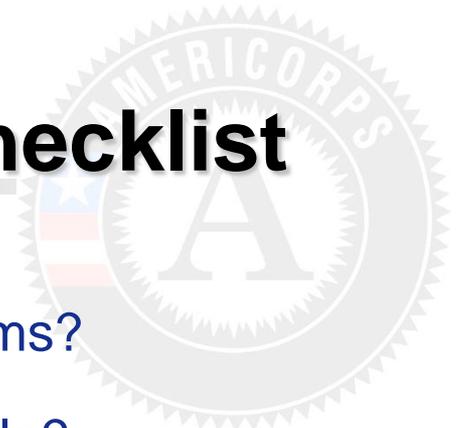
Budget – Final Review Checklist

- Is the budget presented in the format and forms required by CNCS?
- Is the budget consistent with CNCS's guidelines?
- Are all cost calculations clearly described and correct if duplicated?
- Do the costs on all the budget forms, justification and supporting documentation agree?
- Does the budget cover all the project costs, CNCS funds, and match?
- Does the budget cover required costs, for example, program evaluation?



Budget – Final Review Checklist

- Is there adequate explanation for budget items?
- Are all projected costs in the budget allowable?
- Have the appropriate fringe and indirect cost rates been used?
- Do costs apply consistent match requirements and indirect cost limitations?
- Is the budget realistic, reasonable, credible, and aligned with program goals?
- Is the budget within the MSY limit?



Budget – Final Review Checklist



Example (Budget Review):

Budget Review (CNCS Fixed Percentage Method):

Purpose	Total Amount	CNCS Share	Grantee Share
Subtotal Sections I & II:	\$174,655	\$117,235	\$57,420
Subtotal Section III:	\$23,632	\$6,167	\$17,465
Subtotal Sections I + II + III	\$198,287	\$123,402	\$74,885
PERCENTAGES:	100%	62%	38%
TOTAL MSY (6 FT and 4 HT w/ living allowance, and 4 HT w/o living allowance):	10.00		
COST PER MSY:	\$12,341	<i>Based on a grant request of \$123,402 divided by 10 MSY</i>	



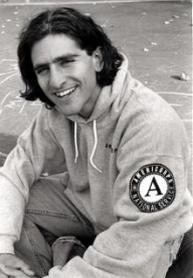
Budget – Final Review Checklist



Example (Budget Review):

Budget Review (Federally Approved Indirect Cost Rate):

Purpose	Total Amount	CNCS Share	Grantee Share
Subtotal Sections I & II:	\$174,655	\$117,235	\$57,420
Subtotal Section III:	\$19,615	\$6,167	\$13,448
Subtotal Sections I + II + III	\$194,270	\$123,402	\$70,868
PERCENTAGES:	100%	64%	36%
TOTAL MSY (6 FT and 4 HT w/ living allowance, and 4 HT w/o living allowance):	10.00		
COST PER MSY:	\$12,341	<i>Based on a grant request of \$123,402 divided by 10 MSY</i>	



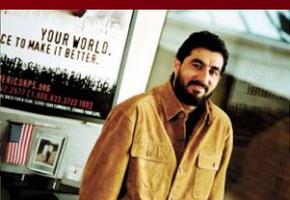
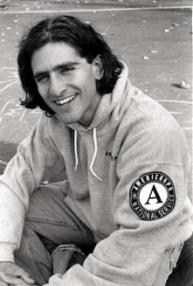
Note: Fixed Amount Grants

Fixed Amount applicants only need to multiply the Total Number of MSY Requested by the Cost/MSY amount.

Fixed Amount Grant Budget:

Purpose	Calculation	Total Amount	CNCS Share	Grantee Share
Program Grant Request	38 MSY x \$13,100/MSY	\$497,800	\$497,800	\$0
	Subtotal:	\$497,800	\$497,800	\$0

NOTE: This only applies to the applicable programs who have been in the Missouri portfolio for at least 3 years, were invited to the Competitive grant competition, and are Fixed Amount sub-grantees.

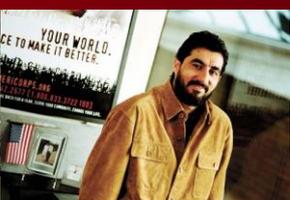
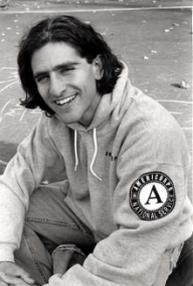


Online Resource



Preparing the Grant Budget for AmeriCorps Programs:
Learn about budget development with a focus on preparing and administering a Corporation for National and Community Service grant budget for an AmeriCorps program.

Log in to the Online Learning Center to access this course:
<http://learning.nationalservicerresources.org/course/view.php?id=51>



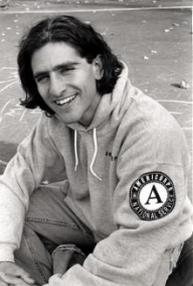
QUESTIONS?



REMINDERS

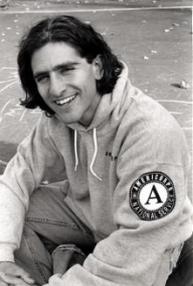


DEADLINE	COMPETITIVE	STATE FORMULA
Monday, December 22 <i>(by close of business)</i>	Draft of application due to MCSC via email	Concept Papers due to MCSC via email <i>(new applicants or new project proposals from existing programs)</i>
Wednesday, January 14 <i>(by 3:00 pm)</i>	Applications due to MCSC in eGrants	n/a
Monday, March 2 <i>(by 3:00 pm)</i>	n/a	Applications due to MCSC per MO-specific Guidelines
Monday, April 20 – Wednesday, April 29	n/a	Clarification Period





Contact the MCSC



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

Program Officers:



Sarah Ehrhard Reid (sarah.ehrhard.reid@ded.mo.gov)
(573) 751-6777



Christine Gardner (christine.gardner@ded.mo.gov)
(573) 526-7559

Jerron M. Johnson (jerron.johnson@ded.mo.gov)
(573) 526-0464

