



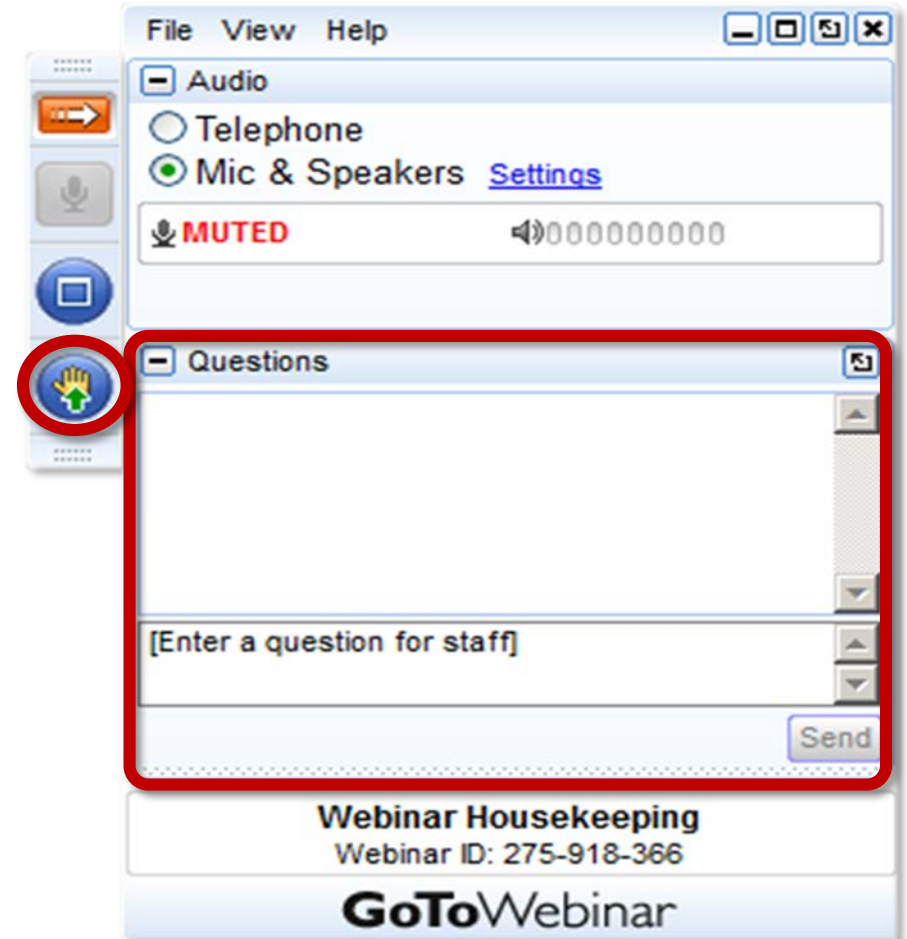
Understanding the AmeriCorps Budget and Budget Narrative

Amy Salinas and Jennifer Cowart

Tips for Participating



- Phones are muted;
- To ask questions, use the Questions panel OR
- Click on the hand icon to let us know you have a question; and
- Links and recording will be available after the session – www.nevadavolunteers.org



Guest Speakers



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Webinars



ALL webinars are
from 10:00 a.m. –
11:30 a.m.

- ✓ October 10 – Understanding AmeriCorps and Determining Organization Fit
- ✓ October 17 – Developing Your Program Design and Logic Model – The Pre-Application Phase
- October 24 – Understanding the AmeriCorps Budget & Budget Narrative
- October 31 – Understanding the NOFO Narrative and Performance Measures

Our Purpose



- 1.** Understand the various budget types, budget components and payment methods; and
- 2.** Budget related requirements for the 2018-2019 Notice of Funding Opportunity.

Session Topics



- Budget Functions
- Budget Types
- General Budget Information
- Budget Sections
- Common Red Flags
- Method of Payment
- Budget Sections in the Narrative

Budget Functions



An AmeriCorps program budget:

- Becomes part of the grantee's contractual obligation
- Serves as a blueprint for the grant activities, program goals and objectives
- Helps to ensure compliance to grant terms and conditions and regulatory restrictions
- Serves as a tool to monitor and compare progress against the original program plan and budget to actual expenses

Effective Budget



Realistic

- Expected revenues and expenses
- Capacity to carry out activities

Consistent

- Aligned with organizational goals & objectives
- Impact specific program & organizational outcomes

Flexible

- Financial and operating circumstances can change
- Ongoing review of activities and cost monitoring

Good Budget Design



- Establish realistic scope
- Ensure you have covered the details
- Highly competitive proposal
- Comply with requirements
- Solid guide for program execution

Effective Budget



1. Determine needs of community(ies)
2. Set up program goals and objectives
3. Decide strategy to accomplish goals
4. Translate strategy to dollars
5. Prepare budget
6. Set up budget control processes
7. Compare budgeted to actual expenses
8. Modify budget as necessary and allowable by your funder

Budget Types



Cost
Reimbursement

Full-Time Fixed
Amount

Education Award
Program

Budget Types



Cost Reimbursement

- Funds utilized for program costs
- Available to programs whose designs may include a mix of full-time and less than full-time members
- Requires full and detailed budget
- Must meet the Corporation for National and Community Service financial match requirements
- Allows flexibility to use all of the funds for allowable costs
- Most common budget type

Budget Types



Full-Time Fixed Amount

- Paid out based solely on enrollment **AND** retention
- Not managed or reported by line item budgets
- Must be for full-time members or less than full-time members serving in a full-time capacity
- No specific matching requirements and the maximum awarded amount per member is less than what is required to fully support a member
- Reduced financial reporting and tracking requirements

Budget Types



Education Award Program

- Paid out based solely on member enrollment
- Provides a small fixed amount of funding
- Programs can include a mix of full-time and less than full-time members
- Not managed or reported by line item budgets
- No matching requirement, but programs are responsible for utilizing their own or other non-CNCS resources for the majority of member and program costs
- Reduced financial reporting and tracking responsibilities
- Viewed very favorably at the state and federal level in terms of cost efficiency

Question Break



Questions

Budget vs. Program Year



Budget Period – 12 months

**Program Year – AmeriCorps
Members Service Term**

Budget vs. Program Year

Competitive

Budget and AmeriCorps member term of service cannot start earlier than August 21, 2018




Formula

Budget and AmeriCorps member term of service cannot start earlier than September 1, 2018

Budget Preparations



- 
- \$ Number and Type of AmeriCorps Member
 - \$ Number & Percent of Staff Time
 - \$ Materials, Curriculum, etc.
 - \$ Space, Utilities, Supplies, Telephone

- 
- \$ Medical and Liability Insurance
 - \$ Member Service Gear
 - \$ Training Costs
 - \$ Member and Staff Travel

Budget Preparations



- Read carefully - Notice of Funding Opportunity, Instructions, and Other Guidance;
- Organize the grant narrative to ensure it matches the budget expenses on the budget form;
- Consider the amount of funds needed from the Corporation for National and Community Service;
- Consider the amount of funds and in-kind support needed for match;

Budget Preparations



- Provide adequate descriptions and calculations to support each line item;
- Allocate costs based on a consistent and documented cost allocation plan:
 - Level of effort: $\% \text{ of time spent on activity} \times \text{salary}$
 - Rent: $\text{total AmeriCorps program space} \div \text{total agency space}$
 - Expenses: $\% \text{ of expenses for program versus total organization's expenses}$

OMB Cost Principles



The OMB cost principles:

- Designate the allowable costs under grants
- Designed so that Federal awards support their fair share of the costs
- Provide information about factors that affect allowability
- Provide information about reasonable, necessary and allocable costs
- Provide information on documentation requirements
- Encourage consistent treatment of costs

https://www.whitehouse.gov/omb/circulars_default

Cost Types



Direct Costs

Costs that are **directly attributable** to meeting the goals and objectives of the program.

Examples:

- Allowable direct charges for AmeriCorps members – such as living allowance, healthcare, etc.
- Staff who train, recruit or supervise AmeriCorps members
- Member service gear and special equipment
- Independent program evaluations
- Member and staff travel

Cost Types



Indirect or Administrative Costs

Costs that can be defined as **general, centralized, or overall administration** expenses of an organization.

Examples:

- Accounting, auditing, general legal service
- Internal evaluation
- General liability insurance
- Salaries and benefits related to general organizational management and support

Unallowable Costs

Lobbying

**Fines and
penalties**

**Expenses not
necessary to
meet
program
objectives**

**Entertainment
/alcohol**

**Costs that
would
constitute
waste, fraud
and abuse**

**Unreasonable
costs from a
“prudent
person”
perspective**

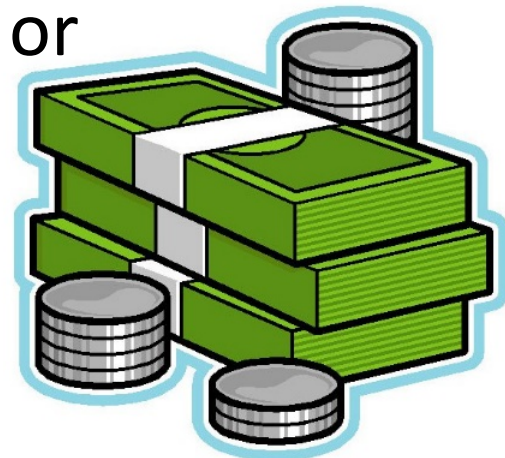
**Costs with no
logical basis
for allocating
to your
program**



Allowable Costs

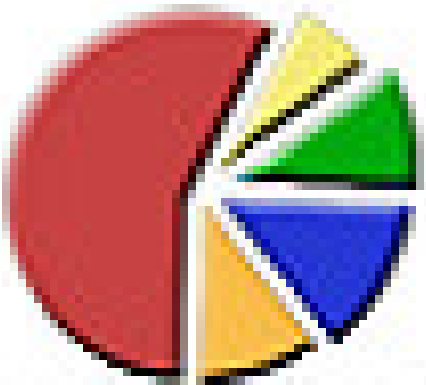


- Reasonable and allocable
- Conform to grant award limitations and OMB cost principles
- Consistent with policies and procedures that apply to both federally-financed and other activities of your organization
- In accordance with Generally Accepted Accounting Principles (GAAP)
- Not to be included as a cost or used to meet cost-sharing or matching requirements of any other federally-financed program
- Adequately documented



Cost Reimbursement Budget

1. Program Operating Costs
2. Member Costs
3. Administrative/Indirect Costs
4. Source of Match/Funds



Budget

Cost Reimbursement Budget Overview



Program Operating Costs

- A. Personnel Expenses
- B. Personnel Fringe Benefits
- C. Staff and Member Travel
- D. Equipment
- E. Supplies
- F. Contractual and Consultant Services
- G. Staff and Member Training
- H. Evaluation
- I. Other Program Operating Costs

Cost Reimbursement Budget Overview



Program Operating Costs – Personnel Expenses

- Staff directly charged to the grant - can be organization staff and/or host site staff
- **REQUIREMENT** – Nevada Volunteers requires a full-time AmeriCorps Program Director position
- Include salary and effort percentage to AmeriCorps program
- Timesheet required allocating actual time for AmeriCorps duties and other assigned projects
- National Service Criminal History Check conducted



Cost Reimbursement Budget Overview



Program Operating Costs – Personnel Fringe Benefits

- FICA, worker's compensation, retirement, SUTA, health and life insurance, IRA and 401K
- Holidays, leave and other vacation benefits are **NOT** included in these rates
- List the type of benefit for each position or calculation for total benefits as a salary percentage
- If calculation is greater than 30% than they must be listed separately and justified



Cost Reimbursement Budget Overview



Program Operating Costs – Staff and Member Travel

- Consider staff mileage to visit member sites, staff conference travel, member mileage for special events, long-distance travel for member training, member conference travel, etc.
- **REQUIRED** – Budget for staff to attend 1 CNCS sponsored technical assistance meeting each year.
- Purpose of the travel along with calculation that includes itemized costs for airfare, transportation, lodging, per diem and other travel-related expenses.
- For mileage and per diem, utilize the current GSA reimbursement rate unless the organization's policy is different than these costs should be treated consistently under the organization's policy.



Cost Reimbursement Budget Overview



Program Operating Costs – Equipment

- Defined as tangible, non-expendable personal property that have a useful life of more than 1 year **AND** costs at least \$5,000 per unit
- Limited to 10% of the total CNCS funds requested

Cost Reimbursement Budget Overview



Program Operating Costs – Supplies

- Consumable supplies and materials including equipment that does not fit the previous definition of equipment
- **REQUIRED** – AmeriCorps service gear with AmeriCorps logo or describe how they will provide member with service gear without using grant funds. Members must wear the AmeriCorps logo on a daily basis – preferably clothing. For examples visit - <https://americorps.nationalservicegear.org/store/catalog/ac> or www.gooddeed.org
- Single items costing \$1,000 or more must be individually listed

Cost Reimbursement Budget Overview



Program Operating Costs – Contractual and Consultant Services

- Consultant costs related to the program's operations except for training or evaluation consultants.
- An example is operational program coaching support to assist in the development of forms, systems and processes in the program start-up
- Must list a daily rate for contractors. No maximum daily rate.



Program Operating Costs – Staff and Member Training



- Staff training costs - training staff on program requirement and training to enhance the skills staff need for effective program implementation such as: program/financial management, team building, etc.
- Member training costs - member training to support them in carrying out their service activities.
- Training registration fees are listed here.

Cost Reimbursement Budget Overview



Program Operating Costs – Evaluation

- Costs do **NOT** include the daily/weekly gathering of data to assess progress toward meeting performance measures.
- Costs can include program evaluation activities, including additional staff time or subcontracts, use of evaluation consultants, purchase of instrumentation and other costs not budgeted in section A.
- It **IS** a larger assessment of program impact as well as an assessment of the overall systems and program design.
- Amount included depends on whether you are a new or recompetite/continuation applicant and if you are required to have an internal or external evaluation. See page 20 of the Notice of Funding Opportunity.

Cost Reimbursement Budget Overview



Program Operating Costs – Other Program Operating Costs

- **REQUIRED** - Criminal history check costs for staff/members who receive a salary, education award, living allowance, or stipend or similar payment from the grant.
- Office space rental for programs operating without an approved indirect cost rate agreement that covers office space.
- Utilities, telephone, internet, copying and similar expenses that are specifically used for AmeriCorps members & program staff and are not part of the organization's indirect cost allocation pool
- If expenses are budgeted and shared with other projects/activities, the costs must be equitably pro-rated & allocated between the activities/projects.
- Recognition costs for members. Gifts and/or food in an entertainment/event setting are not allowable costs.

Cost Reimbursement Budget Overview



Member Costs

- A.** Living Allowance
- B.** Member Support Costs

		2815
		Date _____
Pay to the Order of _____	\$	<input type="text"/>
		Dollars
Memo _____		
⑆ 85871713 ⑆ 18635887571⑆ 11638		

Cost Reimbursement Budget Overview



Member Costs – Living Allowance

- Requested number of members
- Indicate whether your request is for members with a living allowance or without a living allowance

Cost Reimbursement Budget Overview



Member Costs – Living Allowance

Service Term	Minimum # of Hours	Minimum Total Living Allowance	Maximum Total Living Allowance
Full Time	1,700	\$13,732	\$27,464
Half Time	900	N/A	\$14,539
Reduced Half Time	675	N/A	\$10,905
Quarter Time	450	N/A	\$7,270
Minimum Time	300	N/A	\$4,847

Cost Reimbursement Budget Overview



Member Costs – Member Support Costs

- Includes FICA, workers compensation or AD&D, healthcare and other member support costs
- It does **NOT** include the education award or childcare benefit which are directly provided by the Corporation for National and Community Service

Administrative Costs

1. Corporation for National and Community Service (CNCS) fixed percentage rate method **OR**
2. Federally approved indirect cost rate method **OR**
3. De Minimis Method

Administrative Costs – CNCS Fixed Percentage

- Charge administrative costs up to a cap without a federally approved indirect cost rate and without documentation supporting the allocation
- CNCS Share Max Amount = 5.00% of which Nevada Volunteers retains 1.5%
- Grantee Share Max Amount = 10.00%
- The Nevada Volunteers budget worksheet automatically calculates these amounts

Administrative Costs – Federally Approved Indirect Cost Rate

- If you have a federally approved indirect cost rate – this method **must** be used.
- The rate will constitute documentation of your administrative costs, not to exceed the 5% maximum federal share payable by CNCS.
- The Nevada Volunteers budget worksheet automatically calculates these amounts once you input your federally approved indirect cost rate and the rate claimed.

Cost Reimbursement Budget Overview



Administrative Costs – de minimis rate

- For organizations who have never, at any point in time, held a federally negotiated indirect cost rate and who receive less than \$35 million in direct federal funding.
- Organizations may indefinitely use a de minimum rate of 10% of modified total direct costs (MTDC).

Budget Overview



Source of Match Funds

- **All** applicants must complete a source of match funds chart which identifies the following:
 1. Match description
 2. Match amount
 3. Designation if the match is proposed or already secured
 4. Match type (cash or in-kind)
 5. Match source (private, state/local, Federal or other)

CNCS vs. Grantee Share



1. CNCS share is the amount of federal funds you are requesting from the Corporation for National and Community Service
2. Grantee share, also called match funds, is the amount of matching funds either cash or in-kind that you are providing.

Match Percentage



Matching Funds Chart

AmeriCorps Funding Year	1, 2, 3	4	5	6	7	8	9	10+
Cost Sharing/ Matching Requirements	24%	26%	30%	34%	38%	42%	46%	50%

Match percentage = TOTAL of CNCS share (federal funds) **AND** Grantee share (matching funds).

Match Percentage



Matching Funds Example

- Number of MSY's = 10
- Maximum federal dollars that can be requested
 $10 \text{ MSY's} \times \$14,932 = \$149,320$ (Total CNCS Share)
- To determine the required match
 $\$149,320 / 0.76 = \$196,474$ (Total Grant Budget)
- Then . . .
 $\$196,474 - \$149,320 = \$47,154$ (Total Grantee Share)

Match



Cash

- Contributions received by cash, check, electronic funds transfer, credit card or payroll deduction
- Secured from donations, foundation grants, corporate contributions, leases and sale of goods and services
- Federal funds but you **MUST** have approval from that Federal agency
- Cannot use AmeriCorps funds as match on other grants

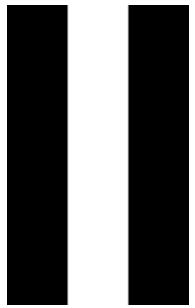
In-Kind Resources

- Non-cash contributions provided by third parties
- Form of real property, equipment, supplies and services
- Must directly benefit and be specifically identifiable to the program

Slots and MSYs



1 slot



1

AmeriCorps
Member

Service Term	MSY Value	Minimum # of Hours
Full Time	1.00	1,700
Half Time	.500	900
Reduced Half Time	.3809524	675
Quarter Time	.26455027	450
Minimum Time	.21164022	300

Cost Per MSY



Calculation used to indicate the maximum amount of federal funds that can be requested for your project.

It is based on the number of MSYs that you are requesting.

(total CNCS ÷ total MSYs)

Grant Program	Maximum Cost Per MSY
Cost Reimbursement	\$14,932
Full-Time Fixed Amount	\$13,430
Education Award Program	\$800
Professional Corps	\$1,000

Maximum Cost Per MSY



Maximum Cost Per MSY Example

- Number of MSY's = 10
- Maximum federal dollars that can be requested
 $10 \text{ MSY's} \times \$14,932 = \$149,320$ (Total CNCS Share)

** The maximum cost/MSY is **NOT** related to the AmeriCorps member living allowance.

Full-Time Fixed Amount Budget Overview



- Not required to submit a detailed budget or complete the grantee share column
- Must complete the source of match funds chart
- Review the full-time fixed amount grant eligibility requirements

Full-Time Fixed Amount Budget Overview



Display your calculation in the following format:

Total # of MSYs _____ x Cost per MSY _____ = Total Grant Request \$ _____

Purpose	Calculation	Total Amount	CNCS Share	Grantee Share
Program Grant Request	10 MSY x \$14,932	\$149,320	\$149,320	\$0
Subtotal		\$149,320	\$149,320	\$0

Education Award Program Budget Overview



- Identify the numbers of members you are requesting by term
- List under the column labeled without allowance
- Total number of MSY will automatically calculate at the bottom of the member position chart



Education Award Program Budget Overview



Member Positions	Calculation	MSY
_____ Full-time (1,700 hours)	(_____ members x 1.000)	= _____
_____ Half-time (900 hours)	(_____ members x 0.500)	= _____
_____ Reduced half-time (675 hours)	(_____ members x 0.3809524)	= _____
_____ Quarter-time (450 hours)	(_____ members x 0.26455027)	= _____
_____ Minimum-time (300 hours)	(_____ members x 0.21164022)	= _____
	TOTAL MSY	_____






Education Award Program Budget Overview

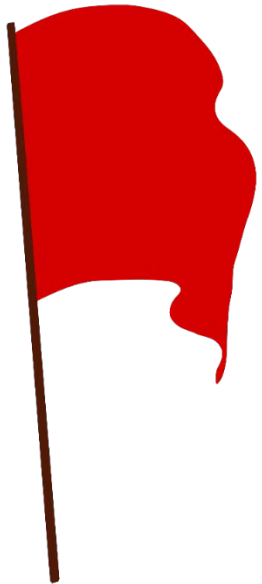


Purpose	Calculation	Total Amount	CNCS Share	Grantee Share
Program Grant Request	10 MSY x \$800	\$8,000	\$8,000	\$0

Common Red Flags

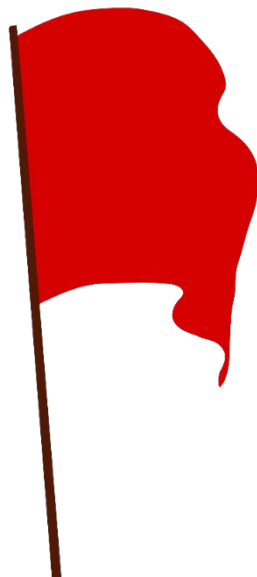


- 
- Costs that are backed into
 - \$5,000 for supplies and then having a calculation of $\$416 \times 12$ months
 - More reasonable budget calculation would be $\$400 \times 12$ months = \$4,800
 -  Missing or incomplete calculations
 - Supplies for \$5,000 without any calculation as to how that amount was determined
 - $\$400 \times 12$ months = \$4,800 but what will the \$400 be paying for
 - Be sure to include a description of the items along with the calculation
 -  Inconsistency in quantity
 - Orientation training for 45 members, but service gear for 50 members



Common Red Flags



- 
- ❏ Staff time not in alignment between salary and fringe
 - Jane Doe is included under personnel at 35% time, but is included under fringe at 20% time
 - ❏ Match not “matching” source of matching funds chart
 - Grantee share of the budget adds up to \$245,590, but the source of matching funds on the eGrants budget adds up to \$270,000
 - ❏ Costs in the budget that are not described in the narrative such as recognition events, consultants and training
 - ❏ Incorrect calculations
 - Supplies at \$250 per month x 10 months, but the CNCS share is \$2,000 and the grantee share is \$1,000

Method of Payment



Cost Reimbursement

- After program incurs costs, submit a payment request on a periodic expense report.
- Reports can be submitted as frequently as monthly or as infrequently as quarterly.
- Nevada Volunteers requires programs to submit backup documentation with each periodic expense report which can include but is not limited to statements of revenue/expenses and balance sheets.
- Reimbursement will occur for allowable costs and programs must have documentation to support all costs.

Method of Payment



Full-Time Fixed Amount

- Number of members = 20 full-time
- Cost/MSY = \$13,000
- Total Grant Award = 20 x \$13,000 = \$260,000
- 17 members complete their term of service and 3 leave the program early
- Program reimbursement is as follows:

- Member A completed 1,125 hours: $1,125/1,700 = 0.66 \times \$13,000 = \$ 8,560$
- Member B completed 458 hours: $458/1,700 = 0.27 \times \$13,000 = \$ 3,510$
- Member C completed 920 hours: $920/1,700 = 0.54 \times \$13,000 = \$ 7,020$

Total Pro-rated amount: \$ 19,090

- 17 members completed 1,700 hours: $\$13,000 \times 17 = \$221,000$

Total Completed amount: \$221,000

Total Grant Earned: \$240,090

Difference: \$ 19,910

Method of Payment



Full-Time Fixed Amount

- Programs will have to closely track member hours.
- The FTFA budget is based on hours served not living allowance paid out; therefore, programs may experience a loss in expected funding if a member is not keeping up with hours
- Example: If a program has paid out 2/3 of a member's total living allowance, but the member only served 1/3 of their hours, then the program will only be reimbursed on the 1/3 hours served.

Method of Payment



Education Award Program

- Reimbursements are strictly based on member enrollment.
- Example: 20 members at \$800 per MSY for a total grant of \$16,000. Once the program enrolls all 20 members, they may request reimbursement in the amount of \$16,000.
- Program will not be able to request reimbursement on any slots that have not been enrolled via the online AmeriCorps system.

Question Break



Questions

Application Narrative



1. Cost Effectiveness
2. Budget Adequacy



Application Narrative



Cost Effectiveness and Budget Adequacy – (25%)

- Budget is submitted without mathematical errors and proposed costs are allowable, reasonable, and allocable to the award.
- Budget is submitted with adequate information to assess how each line item is calculated.
- Budget is in compliance with the budget instructions.
- Match is submitted with adequate information to support the amount written in the budget.
- The cost per MSY is equal to or less than the maximum cost per MSY.



Application Narrative



Cost Effectiveness and Budget Adequacy – (25%)

Applicants must complete the budget and ensure the following information is in the budget screens:

- Current indirect cost rate if used to claim indirect/administrative costs
- Identify the non-CNCS funding and resources necessary to support the program, including for fixed amount programs.
- Indicate the amount of non-CNCS resource commitments, type of commitments, sources and if the commitments are proposed or secured.



Budget Checklist



- The Corporation for National and Community Service application instructions has a comprehensive budget checklist (attachment F).
- Created for cost reimbursement budgets, but can assist fixed amount and education award budgets.

Resources



- AmeriCorps Application Instructions
- CNCS AmeriCorps Budget Checklist
- Nevada Volunteers Budget Worksheet
- CNCS self-paced online courses -
<http://www.nationalservice.gov/resources/online-courses>
 - Preparing the grant budget for AmeriCorps programs
 - Match requirements and documentation
 - Staff activity reporting

Webinars



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