

0 ~ 3 Months

Financial & Grants Management



You will be very busy with financial and grants management tasks your first three months of operations. Ensure your financial systems are compatible with AmeriCorps requirements. For example, you and your staff will enter new AmeriCorps members into WBRIS; receive, verify, and properly file all eligibility documentation for AmeriCorps members; complete necessary reports and ensure that your program is meeting its cash match requirement. Use this section as a guide for these and other important first steps in the life of your program.

At the end of this section, you will be able to

- Learn about completing a monthly budget review.
- Assess whether your organization is meeting the grant match requirements.
- Identify your financial reporting requirements.
- Ensure you are meeting all your member responsibilities including member enrollment, the maintenance of member records, living allowance, and benefits.
- Ensure you review AmeriCorps Grant Provisions to identify Single Audit Act requirement.
- Access and use a variety of tools and electronic resources to complete all activities in the Tools for Success section.

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Monthly Budget Review

What is the monthly budget review?

This is a review of the status of your actual expenditures against the funds available (i.e., how much money you have spent as compared to how much funding you have available). This should be done on a monthly basis to make sure that there are sufficient funds available to meet stated goals and objectives. It is also a check on the match portion of the budget to make sure you are on track to fulfilling your match obligation

Why do you have to review the budget?

There are several reasons you want to periodically review the budget. First, you want to make sure that there are funds available before your organization incurs expenditures. Second, reviewing expenditures ensures that the correct expenses are charged to the account. Third, knowing where funds are spent can assist the executive director or program director to determine whether a budget modification is needed. Finally, the Office of Management and Budget Circulars require that an organization review the budget to actual expenditures.

How do you do it?

✓	Implement a system within your organization to obtain financial information on a regular basis.
✓	Establish a detailed General Ledger that accounts for individual expenditures by line item. Monitor expenditures monthly.
✓	Establish appropriate account numbers so that both AmeriCorps federal fund and matching funds are reported separately in the accounting system.
✓	Enter financial information into WBRs. Complete the Monthly Periodic Expense reports in the WBRs system.
✓	Mandate a financial reports schedule to receive financial information consistently each month.
✓	Have a list of the budget amendment regulations from the grant provisions available when you are reviewing the actual expenses.
✓	If you are a parent organization, you should establish a written budget amendment policy for your sub-grantees. Ensure that sub-grantees review their budgets and seek amendments when necessary.

Frequently Asked Questions

When do I need to submit a budget amendment? How do I do it? *The Grantee must obtain the prior written approval of the Corporation's Office of Grants Management before deviating from the approved budget. Budget amendments might include the need to reallocate funds from the "member support cost" category in the approved budget; purchases of equipment over \$5,000; and/or changes in the cumulative budget line items that amount to 10% or more of the program budget where the Corporation's share of the grant award is \$100,000 or less.*

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Are there specific budget amendment rules that I should know? *There are a few budget changes that require special approval from CNCS. If the grant award is over \$100,000, the changes requiring approval include: Reallocation of funds from the Member Costs category to other line items, purchases of equipment over \$5,000, and specific costs as outlined in the OMB cost circulars. Grant amendments are also required for programmatic changes including: change in scope or goals and objectives, substantial changes in member supervision, and sub-grants or contracts not included in the approved budget.*

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Meeting Grant Match Requirements

What is a match requirement?

The match requirement is the percentage of resources (cash or in-kind) that complement the federal grant funds received by your organization. Match requirements are established by law and policy as a condition of receiving the AmeriCorps grant. In addition, the grant provisions require that the Grantee provide and account for matching funds as agreed upon in the approved application and budget. The match must be documented and verified in the financial records. If you do not believe that you will reach required match level, work with your Grants Officer.

What form can the match be in?

The match for member support costs must be in cash and from non-federal sources. The match for program operating costs can be either cash or in-kind contributions to your program. In-kind match is a non-cash donation of a good or service. In-kind donations have the same documentation requirements as other expenditures. Documentation must be kept to support the value placed on the items. Additionally, staff hours not charged to the grant can be counted toward the match requirement. The documentation for staff hours must be explicitly identified. Whether the staff is on budget in-kind or is being paid with grant funds, each must have a timesheet that differentiates between AmeriCorps and non-AmeriCorps time. Timesheets must track actual hours served and must be signed by two supervisors.

How do we do it?

	✓ Report the in-kind contribution in the financial system so it is included in financial reports.
	✓ Use the financial system to track match by creating expense and revenue accounts in the general ledger.
	✓ Maintain supporting documentation when placing a monetary value on in-kind donations. The donor provides this supporting documentation.
	✓ Check sub-grantees financial reports to ensure that they are meeting match.

Resources

Match Forms and Criteria

This information applies to all match requirements not just operating costs.

Costs	Match Source	Criteria
Member Support Costs	Non-federal cash	<ul style="list-style-type: none"> Programs must meet the grantee share of Member Support Costs during each reporting period. The minimum match in this category is described in the grant application.
Program Operating Costs	Cash and in-kind donations.	<ul style="list-style-type: none"> Match is verifiable from Grantee records. Match is not included as contributions from any other federally assisted program. Match is necessary and reasonable for the proper and efficient accomplishment of program outcomes. Match is allowable under applicable cost principles. Minimum match for operating costs as described in application guidelines.

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Financial Reporting

What are the financial reporting requirements for my grant?

There are two financial reports required by the grant. Grantees submit Financial Status Report (FSR) which goes to the Corporation. The second report, SF 272, goes to the Department of Health and Human Services. These reports are filed by grantees, not subgrantees. The SF 272 is filed electronically in the Payment Management System. You file this report to identify cash disbursed in the grant. A third report, the Periodic Expense Report (PER) is not a mandatory CNCS report although the state commission or parent organization may require it. If you are using WBRS to track expenditures, you will be able to generate the FSR from the PER.

Why are these reports important?

There are only two FSR financial reports required each year and it is important to have these accurate and timely. This is the information that CNCS uses to review financial grant activity. The PMS 272 report is important for HHS to have information about expenses incurred, funds disbursed, and cash on hand. If these reports are not done in a timely fashion, you will not be able to draw down funds until they have received the information.

How do we do it?

✓	Establish an appropriate chart of accounts that provides detailed information on both federal CNCS and grantee match expenditures.
✓	Perform a monthly reconciliation of the account to ensure that the information is accurate and correct (this will save considerable time when the reports are due).
✓	Mark the calendar a few weeks before the report is due as a reminder.
✓	Review financial information monthly to detect incorrect information, so reports can be submitted on a timely basis.
✓	Establish a system to receive consistent information from your sub-grantees (if applicable).
✓	If you have sub-grantees, give them a FSR due date, a few days before your aggregate report is due to ensure you have all information.
✓	Review the table Financial Reports for the AmeriCorps Grant for specific information on each financial report.

Frequently Asked Questions

Are the FSR reporting requirements different if I have sub-grants? *If you are a grantee that sub-grants part or all of the funds you receive from CNCS, you must submit an aggregate FSR report that includes all of the financial information from your sub-grantees. A grantee has the responsibility to analyze, review and follow-up on their sub-grantees' reports.*

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My sub-grantee is not submitting FSR information; they say it is not ready. What do I do?
The FSR reports are due to the Corporation 30-days after the designated period. Many organizations may not have finalized accounting information including all of the monthly journal entries to account for all of the activity. Organizations should take the best information available from their accounting system at the time the report is due. Small variances can be reported in subsequent periods. The information on FSRs is reported on a cumulative basis over the life of the grant. Remember it is critical that the FSR reports are submitted in a timely fashion.

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Member Enrollment Responsibilities

What are the Member Enrollment responsibilities?

It is essential to obtain accurate and complete documentation for prospective AmeriCorps members to ensure their eligibility. While program staff are busy recruiting, interviewing, and selecting prospective AmeriCorps members, the Human Resources, Fiscal Departments, or the person responsible for these activities in your organization need to be prepared for the significant paperwork generated as individuals are brought on as members.

Why are Member Enrollment processes important?

Along with ensuring great people are recruited to serve; your organization must also ensure each member is eligible, the member's information is accurate, documented in paper files, and entered into WBRs. This is a requirement of the grant; member requirements are included in the Grant Provisions which will be formed in the grant regulations. When a member is officially enrolled, their Educational Award is put aside for them in the National Service Trust.

How do you do it?

✓	Review the Member Enrollment section of the Grant Provisions.
✓	When prospective members are interviewed, inform them of the documentation necessary for eligibility.
✓	Collect member eligibility documentation prior to prospective member's first day of service.
✓	Create a Member File Checklist for each member folder so that all information is collected. See the Member Development and Support Section . This folder contains all paper documentation on the member.
✓	Identify the staff member(s) responsible for reviewing and obtaining missing documents, inputting WBRs information, and maintaining member records.
✓	Locate a secure location where confidential member records will be maintained.
✓	Make sure to gather documentation for all members that demonstrates they meet eligibility requirements including: <ul style="list-style-type: none"> • Citizen of the U.S., U.S National or lawful permanent resident alien. • At least 17 years old at the beginning of service or out of school and enrolled in a program that meets specific requirements. • Has a high school diploma or will enroll in GED classes during service.
✓	Member enrollment information must be reported to CNCS within 30 days through WBRs. See the Member Development and Support Section for more information.
✓	Perform site visits to sub-grantees and review member files to ensure they are collecting the proper documentation.
✓	Ensure all member files are complete prior to issuing the first living allowance check.

Frequently Asked Questions

How is bringing an AmeriCorps member into your organization different from hiring regular staff? *Usually organizations have a standard hiring practice where all employees must complete an I-9 form prior to receiving their first paycheck. A completed I-9 form does not necessarily confirm that an individual is eligible to enroll as an AmeriCorps member, as it covers work authorization rather than eligibility for AmeriCorps. Programs that have relied on I-9 forms have faced the questioning of member costs in audits, simply because an I-9 itself is not necessary evidence of eligibility for AmeriCorps.*

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Member Attendance Records

What are member attendance records?

Programs are responsible for keeping track of each member's hours. There must be a time sheet or attendance log that is completed and signed by **both** the member and the supervisor. Even if member hours are tracked electronically, supporting documents must be retained in the member's file.

Why are member attendance records important?

These are official, certified documents that substantiate the number of service hours completed by a member. This information is necessary for members to receive their educational award.

How do you do it?

✓	Create a system to track members' time that has the capability to track service hours and training hours. At least 80% of AmeriCorps members' hours must be direct service and no more than 20% of AmeriCorps members' hours can be spent on training. Review your AmeriCorps Grant Provisions for more specific details.
✓	Ensure AmeriCorps members have opportunities to make up service hours for sick time or holiday time.
✓	Only count time served – do not include vacations or holiday time.
✓	Make sure time sheets are authorized (signed) by the members' supervisor.
✓	Keep accurate records on members' hours served, be sure to double check math on time reported. Provide member a monthly update on their progress of hours towards completion.

Frequently Asked Questions

If I enter member hours into WBRS, do I still have to keep their timesheets on file?

Definitely. You must retain member time sheets in the member's file. Without these records, the members cannot receive their educational award.

Do members complete the same timesheet as staff? *No. Members should not complete the same timesheet as staff. You will need to create a different timesheet for them. Make sure that you are tracking training and service hours, in addition to total member hours.*

How do I account for holidays and sick time? *Members only accumulate hours for time that they are providing service, preparing for service, or training for service. They do not accumulate sick time or get credit for holidays.*

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Member Living Allowance

What is the member living allowance?

Some AmeriCorps members receive a financial stipend or living allowance for their service and participation in the AmeriCorps program. An important point is that the living allowance is not based on an hourly rate or annual salary. Members “serve” they do not “work.” They are part of an “AmeriCorps program” not a “job.” They receive a “stipend” or “living allowance” not an “hourly wage”. The stipend is a fixed amount provided to active members.

How do you do it?

✓	Ensure that a section of the member contract states the living allowance, term of service, and amount distributed per pay period.
✓	Set and discuss policies concerning the number of hours members are required to serve.
✓	Check to see that the living allowance is within the required range.
✓	Correctly calculate member living allowances to be evenly distributed over term of service.
✓	Make sure that the living allowance is not paid based on hours worked in a pay period.
✓	Have Members complete a W-4 form.

Frequently Asked Questions

How much is the member living allowance? *The allowable living allowance range can be found in the AmeriCorps guidelines. If your members will be paid a living allowance, the amount can be found in your program budget.*

How do I distribute the member living allowance? *To determine the living allowance, divide the number of weeks, months, or pay periods by the program cycle. This will enable you to ensure that the living allowance is consistently distributed and not based on hours served in a pay period. This amount should be paid equally over the member’s term of service, regardless of the number of hours served in a given pay period. This ensures that the member earns the entire living allowance if she or he successfully complete the program.*

What about withholding and other tax liability issues that may affect the payment of the AmeriCorps living allowance? *The living allowance is subject to FICA, state and federal tax withholdings. Members should complete an annual W-4 form. In some states, the living allowance is subject to unemployment insurance. Check with your State Commission or State Labor Department to determine if unemployment tax must also be paid.*

If a member only serves ten hours, rather than 40 hours, in one week, do they still receive their entire living allowance? *Yes, a member’s living allowance is not based on an hourly rate or the number of hours spent in service each week. Members are not paid while on suspension, however. If a member is missing a significant number of hours due to sickness or other reasons you might consider suspending her or his term of service until she or he is able to return to service. The living allowance cannot be withheld as long as a member is actively enrolled in the program. A member who misses a significant number of hours must meet the requirements of the contract in order to successfully complete her or his service year.*

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Member Benefits

What benefits are AmeriCorps Members eligible for?

Full-time AmeriCorps members are eligible for the education award, health care and childcare. You may choose to provide benefits to part time members. The health insurance plan must meet specific requirements and there are cost limitations imposed by CNCS. Childcare benefits are secured through an authorized CNCS provider.

How do we do it?

✓	The National Association of Child Care Resource and Referral Agencies (NACCRRA) manages CNCS's childcare benefits program.
✓	If you have full-time AmeriCorps members, secure a health insurance provider. Check with other AmeriCorps programs in your state for recommendations on health insurance providers.
✓	Explain to AmeriCorps members what the benefits are in the plan and how to access coverage.
✓	Be clear about members' benefits in the Member Contract.
✓	During your member orientation include a section to describe member benefits and how to access them.
✓	Create a handout for Members that describes their benefits and provides contact numbers.

Frequently Asked Questions

I have a health benefits plan for current employees. Are members eligible for the same benefits? *Full-time members are eligible for health insurance. There are certain requirements for benefit plans, as well as, allowable cost limitations to the grant. Plans costing more than \$150 per member per month must be approved by CNCS. Be sure to review the Grant Provisions for specific information.*

How are member benefits different from staff benefits? *A member's health benefits policy must meet specific requirements as provided in the AmeriCorps Grant Provisions. Other employee benefits such as dental, life insurance, and retirement are not allowable costs for members on the AmeriCorps grant.*

Are all AmeriCorps members eligible for benefits? *Full-time members are eligible for benefits. Part-time members can also receive benefits as long as the costs of the benefits are not paid for from the CNCS grant.*

Is there a cost-share or co-pay for the members to pay for part of the cost of health insurance? *Sometimes. It depends on the health insurance provider. The Corporation allows 85% of the member costs to be paid for with federal CNCS funds and requires a 15% match for all of the costs in the member Support Cost category.*

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Does CNCS recommend any particular health insurance plan/s? *No. There are a few insurance plans that are commonly used by AmeriCorps programs because they are cost effective and meet the requirements. However, the exact insurance provider is up to the grantee. Make sure to check the grant provisions for the specific plan requirements and cost limitations.*

TOOLS
for
SUCCESS



Financial Reports for the AmeriCorps Grant

Organization	Report	Due Date	Purpose
Department of Health and Human Services (HHS) Payment Management System	PMS 272	Quarterly basis forty-five days from the end of each quarter	HHS serves as the Corporation's banker. This report identifies amounts of cash disbursed by the grantee. It is submitted each quarter. Sub-grantees are not required to complete this.
Corporation for National and Community Service	Financial Status Report (FSR)	Two reports only. October 1 – March 31 April 1 – September 30 Due to CNCS 30 days from the end of the reporting period.	FSRs report both federal and grantee expenditures.