



New Senior Corps Project Directors Fiscal Orientation







Regulatory Requirements





Nat'l & Community Svc. Act of 1990

Code of Fed. Regulations (CFR)

OMB Circulars (part of CFR)

State & Local Regulations

NOFO

Notice of Grant Award

Certifications and Assurances

Guidelines



How & when do I use the OMB Circulars?

The Circulars provide information relevant to the grant in the following areas:

- Cost Principles
- Administrative Requirements
- Audits



Revised Grant Guidelines



Effective May 11, 2004 and August 31, 2005

Federal Grant Guidelines	Universities	States, Local, Indian Tribal Governments	Non-Profits	Hospitals
Administrative Requirements	§ 45 CFR 2543 § 2 CFR 215 (formerly A-110)	§ 45 CFR 2541 OMB A-102	§ 45 CFR 2543 § 2 CFR 215 (formerly A-110)	§ 45 CFR 2543 § 2 CFR 215 (formerly A-110)
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)
Audit Requirements *	OMB A-133	OMB A-133	OMB A-133	OMB A-133

Notes:

CFR = Code of Federal Regulations

* = Subject to A-133 if organization expends \$500,000 or more of Federal funds in its fiscal year

Allowability of Project Costs



Cost Principle Requirements

To be allowable under a grant, costs must:

- Conform to grant award limitations or cost principles
- Be reasonable and allocable for the performance of the award
- Be consistent with policies and procedures that apply to both federally-financed and other activities of the organization
- Be given consistent treatment
- 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
- Be adequately documented



Grantee Share or Match

Administrative Requirements

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
- Conform to other grant provisions or OMB Circulars

Standards of Allowability



All costs should be

- Allowable
- Reasonable
- Allocable
- Consistently applied
- Well documented



Key Elements of Costs



- Allowable

- Conform to any limitation or exclusion set forth in the OMB Cost Principle Circulars/Code of Federal Regulations or in the award as to types or amount of cost items.
- Be determined in accordance with Generally Accepted Accounting Principles (GAAP)

- Allocable

- A cost is allocable to a particular cost objective, such as a grant, contract, project, service, or other activity, in accordance with the relative benefits received.
- A cost is allocable to a Federal award if it is treated consistently with other costs incurred for the same purpose in like circumstances

Key Elements of Costs



- Reasonable

- A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs

- Necessary

- The cost is of a type generally recognized as ordinary and necessary for the operation of the organization or the performance of the award



Managing The Budget Process



- What is a Budget?

- A financial blueprint projecting expenditures for the grant award period, e.g. six months; one year; three years; etc.

Uses:

- Management oversight
- Fundraising
- Accountability
- Forecasting



Grant Specific Functions of you CNCS Budget



- Becomes part of grantees contractual obligation
- Must conform to guidelines and regulatory restrictions
- Used to monitor and measure progress towards meeting matching requirements
- Must be monitored and compared to actual expenses



Requesting Budget Approval



Budget changes requiring CNCS approval:

- Changes in the stipend line (for FGP & SCP)
- Changes impacting area of coverage for service
- Reductions to non-Federal funds/in-kind so project fails to meet match non-Federal share requirements (except when a waiver is granted by CNCS)

Grantees cannot move funds that cause a drop below the 80/20 spending ratio (for FGP and SCP grantees)





Budget changes requiring Corporation approval:

- Changes in scope, objectives or goals of program
- Substantial changes in level of participant supervision
- Additional sub-grants or contracts
- Line item changes greater than 10% of grant (except for instances when corporation share is less than \$100,000)
- Purchase equipment over \$5,000





Documenting Expenses & In-Kind Contributions





Determination of Acceptability of Costs

- Conditions in award letter
- Provisions
- OMB Circulars
- Program Applicability
 - Allocable
 - Allowable
 - Reasonable
 - Necessary





Documentation Goals

- All expenditures should contain documentation (i.e., brief descriptions, agendas, reports etc.) that support why the transaction is allowable for grant purposes
- Accounting records should trace back to source documentation
- Be sure to maintain adequate documentation to ensure that costs are allowed



Salaries & Wages Documentation



- One of largest expense categories in most Senior Corps budget
- Critical to document properly
- Documentation differs for different types of organization



Time & Activity Reporting: OMB Circular A-122



- OMB A-122 requirements of documentation for Activity reporting for Non-Profits:
- Must reflect an after-the-fact distribution of the employee actual activity (not budgeted on hours worked)
- Must account for the total activity of each employee
- Must be prepared at least monthly and must coincide with one or more pay periods
- Must be signed by the employee or supervisor having first hand knowledge



Time & Activity Reporting: OMB Circular A-87



- OMB A-87 for State, Local and Indian Tribal Governments: Budget estimates do not qualify as support for expenditure, except on an interim basis, provided:
 - The estimates produce reasonable approximation of the actual activity performed
 - Quarterly comparison to actual activity is performed
 - Budget estimates are revised at least quarterly to reflect changed circumstances



Time & Activity Reporting: OMB Circular A-21



- OMB A-21 for Educational Institutions:
- Salaries, wages, and fringe benefits are allowable to the extent that the total compensation to individual employees:
 - Conforms to the established policies of the institution
 - Is applied consistently
 - Charges for work performed directly on sponsored agreements and for other work allocable as facilities and administrative (F&A) costs are determined and supported as defined in OMB A-21



Match & In-kind



Valuing In-Kind Donations



- Use Fair Market Price
- Consider what it would cost to obtain similar good or service
- Value of donation should be placed by the donor
- Review donation letter or form to ensure the value is reasonable and compare with other estimates or bases for value



Recording and Reporting In-Kind Contributions

- Documentation of in-kind contributions - same standards as other expenditures
- Documentation for in-kind contributions must record donation and valuation of item
- In-kind contributions should be entered into the general ledger and other reports submitted to the Corporation in order to be recognized as match
- Included in Financial Status Report submitted to the Corporation to be recognized as match





Documenting In-Kind Contributions Received

- Document the basis for determining the value of personal services, material equipment, building, and other non-cash donations.
- Obtain acknowledgement of the contribution which should include:
 - Name of donor
 - Date and Location of donation
 - Description of item/service
 - Estimated value

Sample 1: In-Kind Contribution Form



(click above for an Excel version of form)

The ABCD Tutoring Program
1299 N Main Street, Suite 110, Great City, Good State 00000-1234, (800) 555-1212, Fax 321-1234

In-Kind Contribution Form

Date of Contribution	Description of Contributed Item(s) or Service	Purpose for Which Contribution Was Made	Real or Approximate Value of Contribution	How Was Value Determined? (i.e. Actual, appraised, fair market value)	Who Made This Value Determination?	Was Contribution Obtained With or Supported By Federal Funds? (If so, indicate source)

Name of Contributing Organization/Agency/Business/Individual: _____

Address of Above Contributor: _____ Phone #: _____

Printed/Typed Name of Contributor's Authorized Signee: _____ Title: _____

Signature of Authorized Signee: _____ Date: _____



Timing and Use of Federal Funds





Purpose of Cash Management

- Cash management is the stewardship or proper use of an entity's cash resources. It serves as the means to keep an organization functioning by making the best use of cash or liquid resources of the organization.



Timing of Draws



- Funds are intended to be available when needed.
- Draws should match timing of allowable program expenditures.
- Funds can be drawn as needed:
 - Example – Payroll to cover salaries and allocable payroll taxes based on time charged to the Federally-funded program





The Function of Cash Management

- **To eliminate idle cash balances.** Every dollar held as cash rather than used to augment revenues or decrease expenditures represents a lost opportunity. Minimizing idle cash balances requires accurate information about expected receipts and likely disbursements.
- **To deposit collections timely.** Having funds in-hand is better than having accounts receivable. The cash is easier to convert immediately into value or goods. A receivable, an item to be converted in the future, often is subject to a transaction delay or a depreciation of value. Once funds are due, they should be converted to cash-in-hand immediately and deposited as soon as possible.
- **To properly time disbursements.** Some payments must be made on a specified date. For such payments, there is no cash management decision. For other payments, discretion in timing is possible.



Ease of Access Brings Responsibility

Be
Careful

Document each draw to
show compliance with
Federal regulations

And Most
Importantly

~~Draw
additional funds to
overcome shortfalls
elsewhere in the
organization~~





Financial Reporting



Reporting Requirements



- Provisions

- “Grantee shall submit semi-annual cumulative financial status report, summarizing expenditures during the reporting period in eGrants.”

- Code of Federal Regulations

- 45 CFR 2543.52

- Requires recipients of federal funds to use the Form 269 or Form 269A to report the status of funds.



Financial Reporting Due Dates



- Financial Status Reports
 - Same due dates as the PPR, exception is at the end of **Year 3** (closeout report is due 90 days after the end of the grant). Submitted via eGrants.
- Federal Cash Transactions Report (SF 272)
 - Due quarterly (45 days after the end of the quarter) submitted to HHS using the PMS system



Description/Definition



- A Financial Status Report (FSR) is a summary of expenditure activity over a specified time period (semi-annually in most cases)
- Provides information regarding both Grantee and CNCS Share of funds expended
- Includes cumulative information over the life of the grant



Major Processes for Preparing the Financial Status Report



- Ensure proper documentation in the files to support all information reported in the FSR.
- All financial reports should be prepared with information that comes directly from the organization's accounting system.
- Conduct a review and reconciliation of the information to ensure accuracy prior to report submission.





eGrants

- CNCS system for submission and tracking of grant applications, financial status reports, progress reports, etc.
- FSR reporting is completion of only 3 screens
 - Identifying information
 - Transaction entry
 - Certification



Volunteer Service Year (VSY) FGP/SCP



- One VSY equals 1044 hours of service
- Hourly stipend is based on \$2.65/hour
- Each VSY uses \$2,766.60 (\$2,767) in stipend funds per year
- One VSY does not equal one volunteer!!!

Unless each volunteer serves 1,044 hours per year, you will need to have more active volunteers than your budgeted VSY number.



FSR Time Frames



- ***Reporting Period*** - (The time frame the report covers)
- ***Budget Period*** - (Covers the budget time frame, usually a year)
- ***Project Period*** - (Covers the life cycle of the grant)



Reporting Volunteer Hours



- Volunteer hours should be reported on a cumulative basis over the budget year (the one year period) not the project period (the three year period)

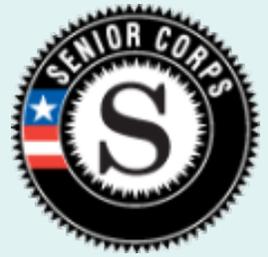
- For example

Year 1

- 1st FSR Jan – Jun 21,028
- 2nd FSR July- Dec (21,028 + 18,972) = 40,000

Year 2 & 3

- Beginning balance should be zero



Overview of the Close Out Process

- Close out of the grant is due within 90 days of the end of the project period
- All grant activity should be completed. Seek a no-cost extension from the Field Financial Management Office if activities will extend beyond the project period end dates.
- Closeout consists of a Final FSR and forms regarding supply and equipment residuals.



Grantee Responsibilities



Complete the following steps:

- Pay outstanding obligations
- Reconcile all financial reports (Financial Status Report (SF 269) and Federal Cash Transaction Report (PMS 272) and ensure reports are equal
- Submit close out documents (equipment and supplies residual forms)
- Enter final FSR in EGrants
- Complete



Summing it up: In a Nutshell



- Familiarize all staff with grant regulations, OMB Circulars and Grant Guidelines to ensure compliance
 - Keep good documentation that demonstrates costs are: reasonable, necessary, allocable, allowable, and adhere to grant guidelines
 - Ensure there is clear audit trail for all financial reports from Accounting system to data submitted
 - If you have a question contact your State Program Specialist or Grants Officer

Senior Corps Tools



- **FEDERAL REGULATIONS**
http://www.seniorcorps.gov/for_organizations/manage/index.asp
- **OMB CIRCULARS**
<http://www.whitehouse.gov/OMB/circulars/index.html>
- **NSSCTALK (LISTSERV)....NSSCTALK@LISTS.ETR.ORG** <http://nationalservicerresources.org/email-lists#nssc>
- **RISK ASSESSMENT**
http://www.cns.gov/pdf/07_0731_cncs_assessment.pdf
- **ANNUAL INCOME ELIGIBILITY GUIDELINES (FGP/SCP)** http://www.seniorcorps.gov/pdf/08_0221_sc_2008_income.pdf
- **RESOURCE CENTER**
www.nationalservicerresources.org
- **ECOURSES:**
 - **KEY CONCEPTS OF FINANCIAL MANAGMENT**
 - **PREPARING THE GRANT BUDGET**
<http://nationalservicerresources.org/online-courses>





Questions

