



Fiscal Management for Senior Corps Project Staff



Session Objectives



1. Participants will be provided with basic information to help them successfully manage their Federal grant.
2. Participants will have an opportunity to ask financial grants management questions.



Basics of Financial Management



- Accounting system with detailed chart of accounts
- Proper documentation of expenditures
- Appropriate time and activity reporting
- Procedures to ensure costs are allowable
- Written cost allocation plan
- Regular review of budget to actual expenses
- Strong system of internal controls
- Written policies and procedures
- Risk-based monitoring
- Effective program management





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**

**Grant
Guidelines**

National Conference 2008



OMB



- The Office of Management and Budget (OMB) oversees and coordinates the Federal government's administration procurement, financial management, information, and regulatory policies. OMB's role is to help improve administrative management, to develop better performance measures and coordinating mechanisms, and to reduce any unnecessary burdens on the public.



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

* = Organization is subject to A-133 if it expends \$500,000 or of Federal funds in its fiscal year





What can be found in the Circulars?

The Circulars provides guidance and requirements relevant to the grant in the following areas:

- Cost Principles
- Administrative Requirements
- Audits





Cost Principles

- Provide guidance for determining the allowable costs incurred by organizations
- Designed so that Federal awards bear their fair share of costs
- Provide guidance about reimbursement requirements
- Provide uniform standards of allowability and allocation
- Encourage consistency of treatment of costs



Standards of Allowability



- Reasonable
- Necessary
- Allocable
- Authorized and legal
- Within cost limits
- Treated consistently
- Meets Cost Accounting Principles and Standards
- Not double charged
- Well documented





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.



Cost Principles



Examples of costs described in Circular:

- Advertising and public relations costs
- Compensation for personal services
- Memberships, subscriptions, and professional activity costs
- Recruiting costs
- Rental costs
- Training and education costs
- Travel costs





Administrative Requirements

Examples of items addressed in Circulars

- Pre-award policies
- Special award conditions
- Purpose of financial and program management
- Standards for financial management systems
- Cost sharing or matching



Audit Requirements



OMB-133 Audit

- Standards for obtaining consistency and uniformity among Federal agencies for the audit of organization's expenditure of Federal funds.
- Applicable to organizations that expend \$500,000 or more of Federal funds in a fiscal year.





Document Internal Controls through Policies & Procedures

Documented Policies and Procedures are important because:

- They are the standards for the organization's operations
- They help in maintaining information that is crucial to operations that would otherwise remain in employees' "heads"
- They help in orienting new employees and substitutes if the appropriate personnel are absent





Written Policies and Procedures

Assist with consistency and clear communication of expectations:

- Policies set expectations of “what is to be done”
- Procedures or processes describe “how is it to be completed”
- Effective ones explain the rationale and include examples of principal transactions and completed forms





Examples of Key Policies & Procedures

- Authorizations of transactions
- Payroll procedures
- Cash receipts procedures
- Procurement Policies
- Travel regulations
- Financial Reporting
- Budgeting
- Record Retention
- Conflict of Interest
- Timekeeping



Match or Grantee Share



- There are matching requirements on all Senior Corps grants
- Match is the share of total costs that the grantee contributes from cash or in-kind sources
- The regulatory requirements for matching funds are the same as the requirements for Federal grants funds.
- You need to ensure that the match (grantee share) is allowable under the grant requirements.



What are Budget Controls?



- Reviews of budget to actual expenses regularly to avoid cost overruns
- Identification of expenditures that many not be budgeted to ensure they can be claimed
- Identification of expenditures that may need approval before being claimed





Key Budgetary Controls

Budgetary controls include:

- Regular monitoring of budgets to actual year-to-date and current period expenditures or outlays
- Explaining any budget variations that are unexpected or unusual and determining necessary adjustments
- Ensuring compliance with laws, regulations, and CNCS provisions, particularly matching percentage requirements
- Requesting prior approvals for modification, if necessary
- Assuring budget changes are properly approved



Items to Have on Radar



- Read and understand the award terms and Notice of Grant Award and revisit award requirements frequently throughout the grant
- Familiarize all staff with regulations and program policies and procedures
- Ensure supporting documentation relates directly to program funded by the Senior Corps
- Establish documentation for expenditure requirements to ensure costs are allocable, allowable, necessary, and reasonable
- Maintain records and establish a written record retention policy
- Develop good internal controls
- Ask questions and get approval as needed before acting





Critical Elements for Financial Reporting

Timely – Ensure all deadlines are met.

Accurate – Use accounting data that has been reviewed.

Complete – Reports should contain all pertinent information relating to reporting period.





Key Accounting System Requirements

for Accurate Reporting

System must be capable of:

- Distinguishing grant versus non-grant related expenditures
- Identifying costs by program year
- Identifying costs by budget category
- Differentiating between direct and indirect costs (administrative costs)
- Distinguishing matching funds separately from grant funds
- Recording in-kind contributions as both revenues and expenses





Key Elements of Financial Reporting

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

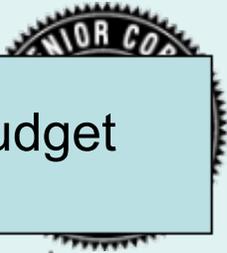


Reports

Financial Records

Allowable Costs

Budget



FSR
269-A

Trial Balance

Program Authorized

Tailoring the Budget



PSC
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Work Statements

OMB Circulars

Clarifying Objectives



Ledger

Journals

Source Document

GMO Determined

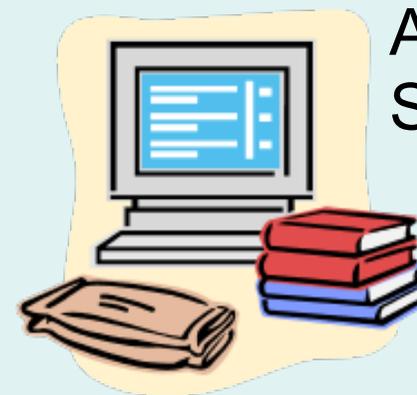
Reviewing the Budget



Develop a Clear Audit Trail



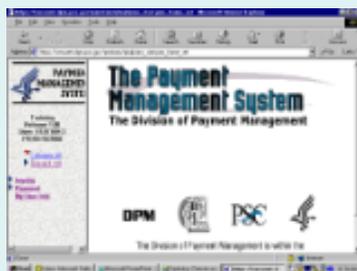
Documentation



Accounting System



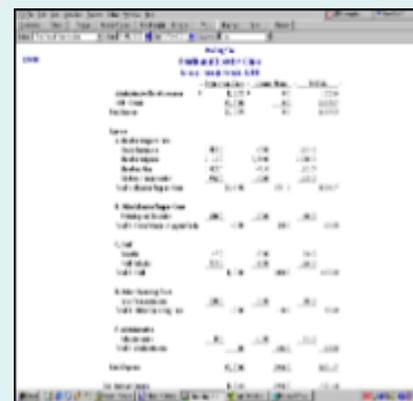
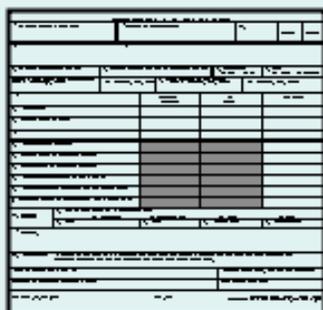
Accounting Reports



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Useful Links



Grant Regulations

http://www.cns.gov/for_organizations/manage/index.asp

OMB Circulars

<http://www.whitehouse.gov/omb/circulars/>

Federal Register (Code of Federal Regulations)

<http://www.gpoaccess.gov/fr/index.html>

Resource Center (My Improvement Plan)

www.nationalserviceresources.org

ECourses: Key Concepts of Financial Management & Budgeting (for each stream of service) http://nationalserviceresources.org/resources/courses/financial_management.php

http://nationalserviceresources.org/resources/courses/financial_management.php



Taking it Home!



1. Staff working on grant should review “Rules”
2. Strong financial system are critical to proper administration of a federal grant
3. Self assess organization’s strengths and weakness to determine where to focus on improvements
4. Be sure to create written polices and procedures
5. Meet with program staff to outline responsibilities and information that will be requested of one another.

