



Date: January 18, 2008

To: Senior Corps Sponsors and Project Directors

Through: Jerry Bridges, Chief Financial Officer
Elizabeth Seale, Chief Operating Officer

From: Rocco Gaudio, Director, Field Financial Management Center
Tess Scannell, Director, Senior Corps

Subject: Fund Raising for Senior Corps Projects and the OMB Cost Principles

1. Purpose and Summary

The purpose of this memorandum is to:

- Provide you with information about Senior Corps grant-funded staff engaged in organized fund raising activities, an issue which arose during the course of the Corporation's monitoring of Senior Corps grants in 2007;
- Summarize the Corporation's actions to date to address this issue; and
- Provide a timeline of key events that will help guide your interactions with your Corporation Program Officer and Grants Officer to address this issue as it may pertain to your grant.

As you read the information below and review the attached documents, please keep the following points in mind:

- Fund raising by Senior Corps project directors is not a prohibited activity. However, charging fund raising time and related costs to the federal or required non-federal share of the grant is not allowed.
- Sponsoring organization Executive Directors and other senior staff, as appropriate, must work with their Senior Corps project directors to assure compliance with the Cost Principles. Sponsors are the legal entity for the grant and have responsibility for oversight.
- The Corporation is committed to working with you to find solutions, and has already identified several scenarios that we believe will allow the majority of grantees to address this issue without affecting project operations.

2. Background



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In the course of monitoring Senior Corps projects, an issue of fund raising as it relates to the appropriate use of grant funds was raised, particularly where a Senior Corps Project Director is being paid 100 percent from the federal or required non-federal share of the grant. The Cost Principles of the Office of Management and Budget (OMB), which apply to all federal grants, place limitations on what costs are allowable under federal grants. Specifically, the OMB Circulars A-122 and A- 21 do not allow grant funds to be used for the costs of “organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions.” Circular A – 87 has a similar provision. A link to each Circular is provided at the end of this document.

3. The Corporation’s Response to Grantee Concerns

In September 2007, the Corporation formulated a set of questions and answers that address the Cost Principles and fund raising by Senior Corps Project Directors. These early drafts were shared at meetings with the Senior Corps Associations during September and early October 2007. Since then these questions and answers have been refined and expanded to provide constructive guidance on how sponsors can continue to raise the non-federal funds and in-kind contributions essential for project operations.

The process of working with grantees to refine the initial questions and answers began with sharing with the presidents of the three Senior Corps associations a draft called “Frequently Asked Questions Concerning Fund Raising and Senior Corps Grants.” A conference call with the Association Presidents was held to discuss the issue and how to obtain further input from Senior Corps sponsors and project directors. It was decided that outreach calls would be scheduled for each of the three Associations to get wide input from project directors and sponsors on the full range of ways that the Cost Principles affect them. The calls took place on the following dates:

December 5, 2007, with the National Senior Corps Association
December 10, 2007, with the National Association of RSVP Directors
December 12, 2007, with the National Association of FGP Directors

Grantees were represented on these calls by their respective Association Presidents, their Boards and a number of other project directors and sponsor executives selected by the Associations. The Corporation was represented by Chief Financial Officer Jerry Bridges; General Counsel Frank Trinity; Chief Operating Officer Elizabeth Seale, Director of the Field Financial Management Center Rocco Gaudio; and Senior Corps Director Tess Scannell. All three calls were recorded, and e-mails were distributed through the Association presidents to advise them that their members could call in to listen to the recordings.

As a result of the three outreach calls additional questions were added to the draft FAQ and other questions were revised for the sake of clarity.

4. The Fund Raising FAQ as of January 18, 2008

Attached to this memo is the FAQ that has resulted from the consultation process described above. We encourage you to study it closely and to bring any additional concerns to the attention of your Corporation State Office. We will notify you and provide updates if additional questions are added or any of the responses are modified as a result of your feedback.

5. Next Steps and Timeline

Event	Timing
<p>I. Provide Training and Technical Assistance to Grantees (T/TA):</p> <p>(A) Materials, Electronic Overview Session, Help Desk</p> <p>Starting on Wednesday, January 30, the Corporation will launch a set of services to help Senior Corps with fund raising in compliance with OMB guidelines.</p> <ul style="list-style-type: none"> • A special site will exist -- off of the Corporation's T/TA website, <i>The Resource Center</i> www.nationalservice.gov/resources -- with specific tools and information related to project fund raising and budget management and reporting. Look for the button highlighting "Senior Corps and Fund Raising". • On the website will be an electronic Overview Session on this topic. You can view it on your computer on your own time by clicking www.nationalservice.gov/resources. Look for the button highlighting "Senior Corps and Fund Raising Overview Session". • Specific questions about the management of your grant should be directed to your Corporation State Office. For assistance with fund development topics and for other questions, contact the SeniorCorpsandFundRaisingResponseCenter@CampaignConsultation.com • Strategy Forums will be offered on a monthly basis. Details can be found on the Resource Center at the "Senior Corps and Fund Raising" site. • An on-line discussion group will be available on the Senior Corps and Fund Raising website. Through this discussion group, you may post your effective practices, questions and other information and comments that would be of assistance to your colleagues or for which you would like their input. The Response Center will post information and resources about topics that seem to be frequently discussed. <p>(B) 2008 National Conference</p> <ul style="list-style-type: none"> • Workshop sessions for both sponsors and project directors during the National Conference in June 2008. Registration information is available at www.VounteeringandService.org 	<p>By February 1, 2008</p> <p>By February 1, 2008</p> <p>By February 1, 2008</p> <p>By February 1, 2008</p> <p>By February 3, 2008</p> <p>National Conference, June 1 -3, 2008</p>
<p>II. CNCS Review of Budgets</p>	

Event	Timing
<p>(A) Grantees in the 2nd Quarter 2008 Grant Cycle – Grants Already Awarded (Start dates in October 2007 – February 2008):</p> <ul style="list-style-type: none"> • As needed, Corporation Program Officers and Grants Officers will work with grantees to amend grants budgets and resubmit. <p>(B) Grantees with their 2008 Grant Not Yet Awarded (3rd and 4th Quarters 2008):</p> <ul style="list-style-type: none"> • Corporation Program Officers and Grants Officers will work with grantees prior to grant submission and award to achieve compliance. 	<p>January 2008</p> <p>3rd quarter 2008: March -June 2008</p> <p>4th quarter 2008: July thru Sept 2008</p>

Attachments

1. [OMB Circular A-21](#) (Appendix A to Part 220, section J #20a)
2. [OMB Circular A-87](#) (Appendix B to Part 225 # 17a)
3. [OMB Circular A-122](#) (Appendix B to Part 230 # 17a)
4. Frequently Asked Questions as of January 18, 2008