

# Budget Development

October 14<sup>th</sup>, 2020



AmeriCorps

# Technical Assistance Webinar Series

- Funding Overview
  - Wednesday, September 23, 1-2 pm
- Application Forms & Selection Criteria
  - Wednesday, September 30, 1-2 pm
- Performance Measures
  - Wednesday, October 7, 1-2 pm
- Demonstrating Evidence
  - Thursday, October 8, 1-2 pm
- **Budget Development**
  - Wednesday, October 14, 1-2 pm

# Session Objectives

- Understanding of:
  - Budget function
  - Budget requirements
  - How to prepare an AmeriCorps budget

## Budget Functions

- An approved AmeriCorps budget is part of the grantee's contractual obligation and:
  - A financial blueprint
  - Helpful to ensure compliance
  - A tool for measuring progress and monitoring

Let's start by considering what function the AmeriCorps budget serves. An approved AmeriCorps budget is part of the awarded AmeriCorps program's contractual obligation, so it is important that the budget you submit is strong and accurate. The approved budget will not only serve as a financial guide for grant-supported activities, it also helps to ensure the terms and conditions of the award in addition to helping CV monitor grants and financial compliance. It can serve as a tool for both CV and programs to measure progress toward match requirement and monitor budgeted expenses to actual expenses as part of your budget management process.

# Budget Management Process

1. Determine needs
2. State goals and objectives
3. Decide a strategy
4. Translate strategy into dollars
5. Prepare budget
6. Set budget control process
7. Compare budget to actual expenses
8. Modify budget

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Before we dive into the details of budget development, let's look at where this fits in the broader budget management process.

The process starts as you begin your AmeriCorps application, by identifying a need in the community that AmeriCorps resources could help address. After determining the need, you identify the goals and objectives of your program. From there, you decide on a strategy. While the application narrative is concerned with the mechanics of that strategy: the intervention and how you will achieve outcomes, the budget is where you translate that strategy into dollars and prepare the budget for your AmeriCorps application.

Post-award, grantees will continue to manage their budgets effectively by establishing a budget control process, monitor expenses by comparing budgeted expenses to actual expenses, and modifying the budget as needed with approval from CV when required.

## Unallowable Costs

Examples:

- Lobbying
- Entertainment and alcohol
- Expenses not tied to program objectives
- Costs that constitute waste, fraud, and abuse
- Unreasonable from “prudent person” perspective
- Costs with no logical basis

Before we get into the specifics of the budget instructions for each cost category, it is important to discuss what costs are not allowed as part of this grant.

The Uniform Guidance, as well as the RFA and Application Instructions, specify costs considered unallowable, such as lobbying, entertainment, alcoholic beverages, and fundraising.

We strongly encourage applicants to review the Uniform Guidance to avoid including any of those unallowable costs in your proposed budget.

Other unallowable costs include those that are not necessary to meet the program objectives. For example, budgeting new laptop computers for 20 staff members when only two staff are included in your AmeriCorps budget is not allowable and could be waste, fraud, or abuse.

Another example is budgeting \$6,000 for landscaping equipment and materials for a program that’s focused on literacy. Those are costs that would be considered unreasonable from a prudent person perspective or have no logical basis for inclusion in the budget.

## Match Requirements

**Minimum grantee share increases gradually. One dollar for every CNCS dollar by year 10.**

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Overall Minimum Share	24%	24%	24%	26%	30%	34%	38%	42%	46%	50%

There are no specific match requirements for fixed-amount grants. Grantees pay all program costs over that provided by CNCS.

It is important to remember that if a cost is unallowable as part of the CNCS share it is also unallowable as part of the grantee share.

As shown on the visual here, the grantee share of the total budget costs increases over time, reading 50 percent or a minimum dollar-for-dollar match by year 10.

There are no specific match requirements for fixed-amount grants since grantees pay all program costs over the amount provided in the grant. However, at the time of application, fixed-amount grant applicants are required to submit a complete, accurate, and compliant Budget Worksheet as an Additional Document.

## Acceptable Match

Cash and in-kind must meet criteria:

- Verifiable from the grantee's records and properly documented
- Necessary and reasonable for proper and efficient accomplishment of program objectives
- Allowable under the Uniform Guidance and Application Instructions
- Not paid by the federal government under another award, except where authorized
- Are provided in the approved budget
- Conform to other grant provisions or Uniform Guidance

Cash and in-kind contributions are acceptable match when

- they are verifiable from the organization's records
- they are necessary and reasonable for proper and efficient accomplishment of program objectives
- They are allowable under the Uniform Guidance and Application Instructions
- They are not paid for by the federal government under another award except when authorized by federal statute
- They are included in the approved budget and allowable under program guidelines
- They are compliant with the terms and conditions of the award and the uniform guidance

The matching resources must be treated the same as the CNCS share, meaning complete and accurate documentation. When it comes to federal dollars, if it isn't documented it did not happen.



## Preparing Your Budget

- Follow all budget instructions
- Budget for single program year
- Budget must align with program in application
- All costs must be defined for a purpose
  - Do not include miscellaneous, contingency, or other undefined budget amounts
- Ensure calculations are clear and specific
- Double-check math in descriptions and calculations
- Do not include unallowable expenses
- Do not include fractional amounts

As you prepare your budget, the most important thing is that you follow all budget instructions. Your adherence to the instructions is a competitive consideration. We will be going into the specific instructions for each budget category very soon.

Be sure to budget for a single year of operation.

Ensure that your budget aligns with the program you describe in your application.

Remember, costs that are not aligned with the program's objectives are not allowable.

All costs must be defined for a purpose; do not include miscellaneous, contingency, or other undefined budget amounts.

Ensure all calculations are clear and specific. This is a competitive consideration—budgets that are not clear in their calculations will receive fewer points.

In the same vein, make sure you double-check the math in all descriptions and calculation fields. Incorrect calculations can negatively impact your score.

This should go without saying, but do not include unallowable expenses. Those will be questioned and could keep you from being approved for funding.

# Budget Structure

Separated by major categories and divided into CNCS and Grantee shares	
Direct Costs (Sections I & II)	Indirect/Administrative Costs (Section III)
<i>Attributable to Program Goals</i>	<i>For Common Organizational Goals</i>
<p>Examples:</p> <ul style="list-style-type: none"> <li>▪ Program staff salaries and fringe benefits</li> <li>▪ Member and staff travel</li> <li>▪ Uniforms</li> <li>▪ NSCHC</li> <li>▪ Member living allowances</li> </ul>	<p>Examples:</p> <ul style="list-style-type: none"> <li>▪ Management staff salaries and fringe</li> <li>▪ Accounting and legal services</li> <li>▪ Office equipment</li> <li>▪ Rent and leases</li> <li>▪ General liability insurance</li> </ul>

As you enter data in the budget you will notice that it includes both the CNCS and grantee shares of project costs. Additionally, the budget identifies costs into direct and indirect or administrative costs.

The direct costs includes program operating costs and member costs, sections one and two of the budget. Those sections are broken down into categories which may include line items such as those shown here on the left. These costs are allocable to the grant, that is they are associated with grant-related activities.

General or centralized organizational activities spread across the entire organization are indirect or administrative costs. Examples of these are shown on the right.

As you develop your budget systems, specifically the budget control process, you'll want to establish clear policies and procedures for tracking and documenting those expenses.

## I. A. Personnel Expenses

- List each staff directly involved in the grant
- Include brief description of the role for each staff
- Must include at least one full-time staff allocated 100%
- All staff on the budget (CNCS or Grantee Share) must have background checks included in I. I. Other Program Operating Costs

Now, let's look at the guidance for each budget category, starting with Section I, Program Operating Costs.

## I. B. Personnel Fringe Benefits

- Can include FICA, Worker's Compensation, retirement, Health & Life Insurance, IRA, 401K, etc.
- Must itemize if amount is over 30% of personnel expenses
- Do not include holidays or vacations
- Must be percentage associated with staff salaries listed in Section I. A.

## I. C.1. Staff Travel

- Include itemized costs for airfare, transportation, lodging, per diem, and other travel expenses, multiplied by number of staff
- Only meals for overnight trips or working lunches for a conference or training
- Mileage must be included in calculations
- Budget two staff for CV training, including \$250 registration

## I. C.2. Member Travel

- Include calculation for cost of airfare, transportation, lodging, per diem, and other travel expenses outside service location
- Bus passes, mileage reimbursements for use of car, etc. should be included here

## I. D. Equipment

- Tangible, non-expendable personal property having useful life of more than one year with an acquisition cost of \$5,000 or more per unit
- Items not meeting the requirement should be in Supplies

## I. E. Supplies

- Include member service gear – only safety gear and gear with AmeriCorps logo can be charged to CNCS share
  - Clearly indicate that gear will have the AmeriCorps logo
- Individually list any single item costing \$1,000 or more



## I. F. Contractual & Consultant Services

- Do not include training or evaluation consultants – those costs will be included in Sections G. and H.
- Include daily rate for services
  - No limit; must be reasonable

## I. G.1. Staff Training

- Include any training/conference registration
- Training subcontracts/consultants go in this section
- Include daily rate for any consultants
  - No limit; must be reasonable

## I. G.2. Member Training

- Include any training to support members in carrying out their service activities
- Can include Life After AmeriCorps training
- Training subcontracts/consultants go in this section
- Include daily rate for any consultants
  - No limit; must be reasonable

## I. H. Evaluation

- Include staff time or subcontracts, consultants, and other costs for program evaluation not budgeted in Personnel
- Does not include regular data collection for performance measurement
- Include daily rate for any consultants
  - No limit; must be reasonable

## I. I. Other Program Operating Costs

- National Service Criminal History Checks – NSOPW, state check, and FBI check for all members & staff
- Office space rental (program specific)
- Utilities specifically used by AmeriCorps members
- Recognition costs for members (no gifts or food)

## II. A. Living Allowance

Slot Type	Minimum Living Allowance	Maximum Living Allowance
Full Time (1,700 hour)	\$15,100	\$30,200
Three Quarter Time (1,200 hour)	n/a	\$21,318
Half Time (900 hour)	n/a	\$15,988
Reduced Half Time (675 hour)	n/a	\$11,991
Quarter Time (450 hour)	n/a	\$7,994
Minimum Time (300 hour)	n/a	\$5,329
Abbreviated Time (100 hour)	n/a	\$1,776

## II. Member Support Costs

- A. FICA at 7.65% of total living allowance
- B. Worker's Compensation – required for all members
- C. Health Care – required for full-time, optional for other slot types
  - Methodology must be provided if not budgeted for all full-time members
  - CNCS will not pay for dependent coverage
- D. Other Member Costs if applicable

### III. Administrative/Indirect Costs

- General organization expenses that do not include specific project costs
- CNCS Share capped at 5%
- CV retains 2% of CNCS Share
- Determined through one of two methods
  - CNCS Fixed Percentage
  - Federally Approved Indirect Cost Rate

eGrants will keep you from validating your budget if you exceed 5% CNCS Share in this section



### III. A. CNCS Fixed Percentage Method

- CNCS share fixed at 5% of total CNCS funds
- Grantee share may not exceed 10% of all direct cost expenditures

If you use the AmeriCorps Budget Worksheet, this is calculated for you automatically.

### III. B. Federally Approved Indirect Cost Rate Method

- Use approved plan to calculate admin costs
- Maximum 5% for CNCS share
- Must provide approved rate agreement at time of application
- Complete backup documentation required

## Source of Matching Funds

- Add sources of match in Budget Section 3
  - Click “Source of matching funds” towards the top
- Include in Match Description if source is “Proposed” or “Secured”
- Account for entire Grantee Share

## Cost Per Member Service Year (MSY)

- Total Federal Share of budget / total MSY
- Found at the end of the Budget Narrative

Grant Program	Maximum
Cost reimbursement	\$16,300
Full-Cost Fixed Amount	\$16,300
Professional Corps Fixed Amount	\$1,000
Education Award Program	\$800 or \$1,000
No-Cost Slots	\$0

## Resources

- Request for Applications
- Application Instructions
- Sample Budget
- [Preparing the Grant Budget for AmeriCorps Programs \(CNCS Knowledge Network eCourse\)](#)
- [2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

Questions?



**AmeriCorps**

# Thank you!

Please send questions to [Funding@cv.ca.gov](mailto:Funding@cv.ca.gov).



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