



Serve Washington

Changing Communities. Changing Lives.

AmeriCorps Finance 101

July 11, 2018

A Strong Program Requires Teamwork

Program and fiscal compliance is a team effort.

Program and Fiscal staff both:

- Gain a deeper understanding of the program goals.
- Support and cultivate a common purpose with mutual goals and accountability.



Why Communicate?

- Programs make decisions that have fiscal implications.
 - Developing budgets
 - Participant issues: stipends, living allowances, recruitment, retention, slot conversions, reporting and timesheets
 - Incurring costs
- Fiscal staff need to understand the program so they know when standard account and personnel practices apply and do not apply and when special grant requirements take precedence.



Budget Development & Execution

Program and Fiscal staff both:

- Assist in developing the program budget by line item
- Develop a system to track budget versus actual expenses
 - Review the budget to actual at least quarterly together
- Determine what line item funds can be reallocated based on periodic reviews
- Know when Serve Washington approval is needed for budget changes
 - For awards in excess of \$100,000 - cumulative budget changes of 10% or more must be approved in advance (Terms and Condition)



Budgeting

Program and Fiscal staff should know:

- When participants have started service
- The level of recruitment and retention
- When slot conversions are warranted and have been made.

Recruitment and retentions will impact program expenses and cash flow.



Budgeting

Both Program and Fiscal staff should:

- Ensure living allowances are not paid on an hourly basis.
- Ensure participants are not classified as an employee or paid a wage.
- Ensure participant costs are separately identified from organizational staff salaries and benefits.
- Ensure participant stipends and living allowances cease when a participant concludes or is released from service.
- Ensure liability insurance coverage is secured for participants in on and off-site projects.
- Ensure participant files and records are safe and secure.



Budgeting

Both Program and Fiscal staff should:

- Track overall obligations to host sites
- Track expenses by line item
- Track budget changes
- Track host site payments
- Track other match from host sites
- Determine if income is generated from program activities, track it (program income) and report it.



Common Fiscal Challenges

- Program Income:
 - Not realizing you have it
 - Not understanding the requirements associated with it
 - [Knowledge Network Federal Financial Report and Program Income FAQs](#)
(dated, but still relevant)
- Living Allowance and Member Benefits (Overpayment, Underpayment)
- National Service Criminal History Checks
- Lack of Adequate Documentation
- Not following organizational policies and procedures for incurring costs
- Cost Allocation (using appropriate allocation methodologies to accurately estimate the benefit received by the grant)



Budget Preparation

A good budget will:

- Establish realistic scope
- Ensure you've covered the details
- Have a highly competitive proposal
- Comply with requirements
- Have a solid guide for program execution
- Define expectations

...Even so, remember a budget is just a plan!



Budget Preparation

- Review your program/project goals and objectives
- Estimate the resources needed to achieve program/project goal, for example:
 - Participants – members or volunteers, staff positions
 - Space, utilities, supplies, telephone
 - Medical and liability insurance
 - Uniforms, training, child care
 - Transportation



Budget Narrative

- Follow instructions in NOFO/RFGA or other guidance received
- Organize narrative to fit budget categories on budget form or proposal
- Provide **adequate** descriptions and **accurate** calculations to support amounts
- Allocate costs based on a consistent and documented cost allocation plan.
- Apply principles of Uniform Administrative Requirements, cost principles and audit requirements ([2 CFR 200](#))



Allowable, Reasonable & Allocable

- **Allowable** – A cost within award limitations consistent, documented, reasonable & allocable
- **Reasonable** - A cost that does not exceed what a prudent person would do under the circumstances at the time of the decision
- **Allocable** - Treated consistently with other costs incurred for the same purpose in like circumstances and benefits the award and can be distributed proportionally to the benefits received



Budget Activity

Project Kids:

Coalition for the Success of our Youth

To win- Your team must find more errors than
the other teams



Making Budget Adjustments

Grantees must obtain prior approval from Serve WA (and potentially CNCS) for:

- Subgrants or contracts not included in approved application and budget
- Specific costs described in the Cost Principles
 - For example: staff overtime pay, rearrangement and alteration costs, and pre-award costs
- Purchases of equipment over \$5,000 using grant funds, unless specified in the approved application and budget
- Cumulative or aggregate budget line items that amount to 10% or more of the total budget



Budgeting Tips

- Stipend requirements – minimums or maximums
- Match - minimum requirements & cash & in-kind specifics
 - Source of funds should outline the funding types, and note if proposed v. secured, public v. private, cash v. in-kind. Total described should make budget total
- Special restrictions or limits on administrative costs or indirect expenses
 - If you have a federal approved indirect cost rate you must use it
- Required cost components of specific program
 - Examples: evaluations, 100% Project Directors, uniforms, health care, physicals, travel reimbursements



Highly Effective Financial Management

- Written and followed policies and procedures
- Qualified and trained financial & program staff
- Effective communications
- Succession planning and cross training
- Self-assessment and continuous improvement
- Active, knowledgeable and informed board and finance committee



Financial Management Resources

- Knowledge Network - [Financial Management Resources](#)
- [Uniform Guidance Updates](#)
[FAQs \(as of July 2017\)](#)
- Knowledge Network Online training courses
[Key Concepts of Financial and Grants Management](#)
[Preparing for the Budget Process](#)
[Match Requirements and Documentation](#)
- [National Service Criminal History Check Resources](#)

