

## Fixed Amount Grant Financial and Administrative Process Guide

This edition 2.10 replaces the original guidance published April 25, 2013, as *Frequently Asked Questions - Fixed Amount Grants*, and now includes editorial advice received after the August 24, 2018, release of edition 2.0.

### **Purpose of this Guide**

This Guide is designed to help organizations understand how CNCS's fixed amount grants are financially administered by CNCS, direct grant recipients (prime grantees) and pass-through recipients (sub-grantees). It focuses on how to determine earned grant amounts and when those earned grant funds can be drawdown, in addition to describing the relationship between granted federal funds and granted AmeriCorps member (member) positions (or, "slots") and granted Member Service Years (MSY). Unless noted otherwise, the guidance has been designed to be as federal fiscal year (FFY) neutral as possible to avoid updates as fixed amount award ceilings and similar financial parameters with no impact on earning or drawing grant funds change between FFYs. The Guide addresses when recipients are allowed to draw down fixed amount grant funds, the amount which can be drawn down at any point in time, and how CNCS and prime grantees determine the earned grant amount at monitoring checkpoints and at grant closeout.

This Guide was not designed to serve as a tutorial on fixed amount grants or on overall federal grants management. We assume users are fully familiar with financial administration of CNCS grants, and generally familiar with how fixed amount grants differ from non-fixed amount grants. The Guide is intended to support, but not replace, the directions found in Notices of Funds Availability/Opportunity (NOFA/O), grant application instructions, or grant Terms and Conditions, all of which carry higher levels of authority.

Unless included in the Frequently Asked Questions brought forward from the first edition (FAQs 1 through 17), this Guide does not address the following: statutory, regulatory, or other authorities authorizing CNCS's grants; the differences between the types of CNCS grants; grant application review; program management; developing budgets for grant programs; indirect cost rates; member benefits; prime grantee administrative fees held back from sub-awardees; member slot management; the evaluation of programmatic purpose or performance; or any similar topics not related to awarding, earning, and drawing down CNCS fixed amount federal grant funds.

### **Types of Fixed Amount Grants**

CNCS and CNCS prime grantees (such as national directs and State service commissions) award three types of AmeriCorps fixed amount grants: **Full-time, Professional Corps, and Education Award Programs (EAP)**. All three award federal grant dollars and MSYs, including a designated dollars-per-MSY amount. Each grant award identifies the number of AmeriCorps member positions by terms of service type (full-time, three-quarter-time, half-time, etc.) associated with the total awarded MSYs.

**Full-time fixed amount grants** convey the authority to earn federal grant funds based on completed hours of enrolled members' service under the funded program. The earned grant funds are computed using the parameters: total awarded federal funds, dollars-per-MSY, numbers of slots by slot type, slot conversion factors, and hours served by each enrolled member. CNCS permits awarding both full-time slots and less-than-full-time slots for members who serve in a full time capacity, as well as the post-award conversion of full-time slots to less-than-full-time slots that serve

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in a full time capacity.<sup>1</sup> During each program year, recipients incrementally earn awarded grant funds as service hours are recorded by enrolled members for that program year. The awarded federal dollars per MSY vary based on the nature of the grant proposal and negotiations with CNCS.

**Professional Corps fixed amount grants** are the same as full-time fixed amount grants in terms of how funds and MSYs are conveyed through the grant award and managed, except the dollar amount awarded per MSY is significantly lower. Only full-time slots are awarded. The awarded federal dollars per MSY vary based on the nature of the grant proposal and negotiations with CNCS.

**EAP grants** convey the authority to earn federal grant funds in association with an awarded number of MSYs and slots by slot type, based solely on a grantee's program's successful enrollment of members into the MyAmeriCorps Portal (portal). Grant funds are awarded as total dollars and dollars-per-MSY. CNCS awards and funds full-time and less than full-time slots. EAP grants also permit the post-award conversion of full-time slots to less than full-time slots.<sup>2</sup> For each program year, a recipient incrementally earns grant funds based on the number of successfully enrolled members for that year. The awarded federal dollars per MSY vary based on the nature of the grant proposal and negotiations with CNCS.

### **Calculating Fixed Amount Grant Awards<sup>3</sup>**

Every application for a fixed amount grant proposes a requested number of members identified by slot type and a requested federal grant dollar amount per MSY. From those parameters, CNCS's eGrants system calculates the total requested federal funds, total MSYs, and dollars-per-MSY. The MSYs awarded are based on the number of members by slot type requested. Full-time slots carry a MSY value of 1.0, consistent with the one-to-one ratio of a full-time slot to one MSY. The MSY value of a less-than-full-time slot is based on the following eight (8) decimal point conversion factors coded into CNCS's National Service Trust (Trust) and eGrants systems:

| Slot type <sup>4</sup>   | Conversion factor |
|--------------------------|-------------------|
| FT (Full-time)           | 1.00000000        |
| TQT (Three-quarter-time) | 0.70000000        |
| HT (1-year half-time)    | 0.50000000        |
| RHT (Reduced half-time)  | 0.38095240        |
| QT (Quarter-time)        | 0.26455027        |
| MT (Minimum-time)        | 0.21164022        |

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<sup>1</sup> Originally, full-time fixed amount grants were limited to grants funding full-time members with an equal number of MSYs and slots awarded (1:1 ratio). Since the ratio of slots to MSYs was 1:1 the grant dollar value per MSY was simply calculated by dividing the total granted federal funds by the total granted MSYs. That is no longer the case since identifying the MSY value of a less-than-full-time member serving in a full-time capacity requires a formula involving MSY conversion factors. Those formulas are presented in this Guide.

<sup>2</sup> EAP grants have always offered funding of full-time and less-than-full-time slots and permit the conversion of slot types. The formula for calculating the MSY value of less-than-full-time slots is presented in this Guide.

<sup>3</sup> The guidance in this part is not designed to duplicate or fully describe eGrants user screens or offer grant application instructions. The information presented is designed to explain how awards are calculated. Users should refer to application instructions for applicant guidance including eGrants user experience illustrations.

<sup>4</sup> Affiliate slots (AT) are not included in this Guide since awarded AT slots do not convey any federal grant funds to earn or draw.

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Fixed amount grant applicants enter the number of members requested for each slot type. The eGrants system code multiplies requested numbers of slots by slot-to-MSY conversion factors to establish proposed numbers of MSYs by slot type. The eGrants system code sums and rounds the individual by-slot-type numbers to establish the total number of MSYs requested at a rounded two decimal point value. For example, if an application requested 10 members for every slot type, the grant awarded would convey 30.57 MSYs calculated as follows:

| Slot type                       | Number requested |   | Conversion factor |   | Proposed number of MSY |
|---------------------------------|------------------|---|-------------------|---|------------------------|
| FT (Full-time)                  | 10               | * | 1.00000000        | = | 10.00000000            |
| TQT (Three-quarter-time)        | 10               | * | 0.70000000        | = | 7.00000000             |
| HT (1-year half-time)           | 10               | * | 0.50000000        | = | 5.00000000             |
| RHT (Reduced half-time)         | 10               | * | 0.38095240        | = | 3.80952400             |
| QT (Quarter-time)               | 10               | * | 0.26455027        | = | 2.64550270             |
| MT (Minimum-time)               | 10               | * | 0.21164022        | = | 2.11640220             |
| Sum no rounding:                |                  |   |                   |   | 30.57142890            |
| Total MSYs awarded if approved: |                  |   |                   |   | 30.57                  |

Applicants are instructed to identify the dollars-per-MSY being requested. Using the 30.57 MSY example above, an applicant requesting \$9,500.00 per MSY would be identified by eGrants as applying for a \$290,415.00 full-time fixed amount grant:

$$30.57 \text{ MSYs} * \$9,500.00 \text{ dollars per MSY} = \$290,415.00$$

The CNCS fixed amount grant does not assign federal funds to each slot type or the individual MSY value of each slot type, therefore a cost-per-MSY by slot type is not established. Only the overall cost-per-MSY is established and controls the federal grant dollars awarded that are available to be earned.

Because CNCS awards fixed amount grants based on the number of MSYs at a two decimal points value multiplied by a cost-per-MSY, the grant dollars awarded will be fractionally lower than if CNCS calculated fixed amount grants using an eight decimal point number of MSYs. Such dollar differences are relatively minor and not practical to eliminate given the cost and complexity of system coding. For example, if an eight decimal point number of MSYs awarded was used in the example above, the federal dollars awarded would be \$13.58 higher ( $30.57142890 * \$9,500.00 = \$290,428.58$  vs.  $\$290,415.00$ ). This amounts to a difference of about 0.004676067007558150%.

**Elements of a Fixed Amount Grant Defined by Notice of Grant Award (NGA)**

The following is a description of NGAs issued by CNCS. Many fixed amount grants are awarded as pass-through sub-grants issued by national direct and State service commission prime grantees. National directs and State service commissions establish their own award instruments and documents to convey sub-grant awards. Those documents are not required to duplicate the form and format of CNCS NGAs, but those award documents from the pass-through entity must convey the same award information established through CNCS’s prime grant award NGA.

The following information included in the CNCS NGA establishes whether or not the grant is a fixed amount award versus a non-fixed amount grant, and identifies the slot, MSY, and dollar amounts awarded:

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- Agreement Number, commonly known as the grant number.
- Award Description.
- Funding Information.
- Member Information.

**CNCS grant numbers** are ten (10) characters long. This grant numbering system identifies grants as fixed amount type, but does not always identify if the grant is funding a full-time, Professional Corps or EAP program, or a combination of program types. When the third and fourth grant number characters are ES, FX, or ED, the characters signify that CNCS is funding a fixed amount grant and the type of recipient organization, but the characters do not signify the type of fixed amount grant:

- ##ES##### for awards to State service commissions from CNCS competitive funds.
- ##FX##### for awards to State service commissions from State formula funds.
- ##ED##### for awards to national direct programs.

**Award description** is a text field describing the FFY of the award and the federal dollar amounts awarded per MSY for each prime or subgrant program. The following example describes a prime grant receiving funding for four sub-awards:

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### **Award Description**

This award funds the approved 2016-17 AmeriCorps State Formula Fixed Amount program listed on the approved program funding summary chart. This award is a fixed amount grant for City Year Orlando @ \$12,100/MSY, City Year Miami @ \$10,810/MSY, Leon County Schools @ \$13,299/MSY, and TFA – Jax @ \$1,000/MSY. No member may enroll prior to the approved start date of the member enrollment period.

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The award description is written by the CNCS Grants Officer (GO) using information provided by the CNCS AmeriCorps Program and Senior Program Officers based on CNCS's funding decisions. **Before proceeding with a grant program, awardees must review the award description(s) on their NGAs for consistency and accuracy with their grant application and negotiations with CNCS or the prime grantee.** Since the award description does not identify the prime or sub-grants by type (full-time, Professional Corps, or EAP), before accepting an award, recipients are responsible for confirming the type of fixed amount grant that has been funded with the grantor.

**Funding information** is a field identifying the federal grant funds awarded by year of the grant:

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### **Funding Information**

| <b>Year 3</b>                                | <b>Previously Awarded This Year</b> | <b>This Award/ Amendment</b> | <b>Total Current Year</b> |
|--|-------------------------------------|------------------------------|---------------------------|
| Total Obligated by CNCS                      | \$0                                 | \$1,463,033                  | \$1,463,033               |
| Grantee's Unobligated Balance (Carryover)    | \$0                                 | \$35,981                     | \$35,981                  |
| Total Available                              | \$0                                 | \$1,499,014                  | \$1,499,014               |
| <b>Cumulative Funding for Project Period</b> |                                     |                              |                           |
| Total Awarded in Previous Amendments         |                                     |                              | \$2,822,401               |
| Total CNCS Funds Awarded to Date             |                                     |                              | <b>\$4,285,434</b>        |

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Recipients must be careful to review the amount, if any, recorded as “Grantee’s Unobligated Balance (carryover/carryforward).” Carryover and carryforward are labels used to identify prior year federal grant funding that was unearned from the prior year’s award. Carryover / carryforward may be used to reduce the amount of “new” current year federal funds needed to fund the grant’s continuation year, or may be used to increase the total federal funding of the grant’s continuation year. Carryover/carryforward funds do not modify the eGrants’ calculation of the dollars-per-MSY awarded for the current year.

**Member information** is a field identifying the member slot types funded by the award:

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| <b>Member Information</b>                    |             |              |
|--|-------------|--------------|
| Member Education Awards as of this Amendment |             |              |
|  | W/Allowance | WO/Allowance |
| Full Time (1700 hours)                       | 0           | 112          |
| Three Quarter Time (1200 hours)              |             |              |
| 1-Year Half Time (900 hours)                 | 0           | 176          |
| 2-Year Half Time (1st Year)                  | 0           | 0            |
| 2-Year Half Time (2nd Year)                  | 0           | 0            |
| Reduced Half Time (675 hours)                | 0           | 0            |
| Quarter Time (450 hours)                     | 0           | 0            |
| Minimum Time (300 hours)                     | 0           | 83           |
| Member Service Years (MSY Awards)            | 217.57      |              |

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Member information in an NGA does not present a cost-per-MSY by slot type. The parenthetical hours shown next to the slot type identify the terms of service hours that a member must perform to be eligible for the full amount of their educational award for that slot type. **The terms of service hours for earning an educational award by slot type are not the hours used to calculate a fixed amount grantee’s earned grant dollars.** Any match or alignment between the hours required to earn an educational award and the hours used to calculate earned fixed amount grant dollars is coincidental.

In summary, a CNCS NGA identifies the total federal funds awarded by grant year (both carryforward and new), the number of slot types awarded, the number of MSYs awarded rounded to two decimal points, and the overall cost-per-MSY. The total federal dollars and the total MSYs awarded identified in an NGA are controlling in that a recipient may never earn or draw more federal funds than are identified. A recipient also cannot enroll more members than are associated with the total MSYs awarded. Slot conversions during grant performance do not increase the total number of MSYs awarded. If a recipient has the capacity to support a larger number of MSYs, the grantee must apply for a supplement to the grant.

### **Earning Fixed Amount Grant Funds**

Under all fixed amount grant types, recipients earn awarded grant funds dependent upon their grant program’s enrollment of members into the portal and depending on other factors that vary by fixed amount grant type. For the purposes of this Guide, an “enrolled member” is one whose name is listed on a roster in the portal and that, once exited from the program, has at least one (1) hour of national service recorded on the roster associated with their service in a grant program year.<sup>5</sup>

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<sup>5</sup> Comprehensive advice on the AmeriCorps member enrollment process is found in other CNCS guidance, including

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When CNCS awards a fixed amount grant, the total granted federal funds are obligated into the recipient organization's Payment Management Services (PMS) account. Generally, grantees may only draw funds if and when the funds have been earned, and may only draw amounts up to the earned total to-date. In other words, fixed amount grant funds are only earned as a program enrolls members into the portal and those enrolled members have served one or more hours in a grant-funded program year.<sup>6</sup>

A grant recipient's calculation of its earned fixed amount grant should be based on the member records maintained by the program, which generally will be more current than program rosters in the portal. Grantees can either use these day-to-day member enrollment, timekeeping, and associated records to establish the quantities, counts, and figures to calculate their earned grant amounts or grantees may use the information extracted from the portal. While the roster in the portal usually offers the most convenient source of quantities, counts, and figures to calculate the earned grant amount, using portal data that are significantly out-of-sync with the actual program performance risks inaccurate calculations of amounts earned, which can lead to overdrawing or underdrawing grant funds. Grant programs must make an informed decisions on when either of the two approaches is the most appropriate to use and establish policies, procedures, and internal controls to ensure with reasonable accuracy its calculation of earned fixed amount grant funds.

This Guide presents the formulas that CNCS will use to calculate the amounts that grantees have earned through fixed amount grants. CNCS recognizes that grantees may use mathematical formulas that are different than the formulas used by CNCS but apply the same mathematical logic. As long as the same logic is applied, the dollar amount results should be identical. Advice on when small estimations are permitted is included at the end of this section.

**Full-time and Professional Corps grantees** earn fixed amount grant funds based on the hours served by enrolled members. The formula used to calculate the grant dollars earned through an individual member's service divides each member's total hours of service to-date, up to a limit on hours based on slot type, by 1700 (the hours associated with one MSY), and multiplies the result by the awarded federal grant dollars-per-MSY.

For example, a program awarded a grant of \$67,150.00 for five full-time slots at \$13,340 per MSY. If every member serves 1700 or more hours, the grantee earns the full MSY dollar amount awarded per member. The earned fixed amount grant dollars per member, and total fixed amount grant earned are calculated as follows:

$$\begin{aligned} &[\text{Hours served by a member up to slot type limit}/1700] * [\text{Dollars-per-MSY}] = [\text{earned grant amount per member}]. \\ &[1700/1700] * [\text{Dollars per MSY awarded}] = [\text{earned fixed amount}]. \\ &1.00000000 * \$13,430 = \$13,430.00 = \text{fixed amount grant funds earned from one member's service.} \\ & \$13,430.00 * 5 = \$67,150.00 = \text{total fixed amount grant funds earned.} \end{aligned}$$

the *MyAmeriCorps 2018 Member Enrollment Process* training guidance.

<sup>6</sup> Member enrollment in the portal must be established within five (5) calendar days from the member's start of service; see *MyAmeriCorps 2018 Member Enrollment Process* training guidance. Given that five days has nominal effect on fixed amount grant funds earnings, to minimize the theoretical scenarios for calculating fixed amount grant earnings this Guide assumes that members are enrolled into the portal on the first day of a member's service. Programs enrolling members after the first day of service must compensate for the timing of their member enrollments.

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In this example, even if all of the full-time members served more than 1700 hours, for the purpose of calculating the earned full-time or Professional Corps fixed amount grant dollars, the hours per full-time slot are limited to 1700. If the full-time members serve less than 1700 hours, the formula used to calculate the earned grant amount per member does not change. The calculation using the lower number of hours served results in a lower amount earned per member and a lower total earned fixed amount grant. For example, if all members in this example exited after serving 900 hours, the earned amount calculation is:

[900/1700] \* [Dollars per MSY awarded] = [earned fixed amount].  
 0.5294117647058820 \* \$13,430 = \$7,110.00 = fixed amount grant funds earned from one member's service.  
 \$7,110.00 \* 5 = \$35,550.00 = total fixed amount grant funds earned.

Full-time programs enrolling less-than-full-time members serving in a full time capacity calculate the earned fixed amount award for each less-than-full-time member using the same formula, except instead of the maximum payable hours per slot limited at 1700, every less-than-full-time slot has a lower maximum number of hours per member by slot type. These lower limits are calculated by multiplying 1700 hours by the same MSY conversion factors originally used to establish the number of MSYs awarded. In this manner, the maximum hour limits by slot type are mathematically consistent with the total MSYs and dollars-per-MSY awarded. The maximum hours per slot type is presented below in column D:

|                    | <b>B</b>    | <b>C</b>                     | <b>D</b>                |
|--------------------|-------------|------------------------------|-------------------------|
| <b>Slot type</b>   | <b>Code</b> | <b>MSY conversion factor</b> | <b>Max. hours limit</b> |
| Full-Time          | FT          | 1.00000000                   | 1700                    |
| Three-Quarter-Time | TQT         | 0.70000000                   | 1190                    |
| 1-Year Half-Time   | HT          | 0.50000000                   | 850                     |
| Reduced Half-Time  | RHT         | 0.38095240                   | 647                     |
| Quarter-Time       | QT          | 0.26455027                   | 449                     |
| Minimum-Time       | MT          | 0.21164022                   | 359                     |

An example presenting formulas used to calculate the earned amounts for a full-time fixed amount grant involving less-than-full-time members serving in a full time capacity is a grant awarded five of every slot type at \$14,430 per MSY. If all five members enrolled in every slot type served exactly the required hours of service required to earn his/her educational award by slot type, the earned grant dollars per member and total fixed amount grant earned are calculated as follows:

|   |                                 |                 |
|---|---------------------------------|-----------------|
| 5 full-time slots serving 1700 hours each:          | [1700/1700] * [\$13,430.00] * 5 | = \$67,150.00.  |
| 5 three-quarter-time slots serving 1200 hours each: | [1190/1700] * [\$13,430] * 5    | = \$47,005.00.  |
| 5 half-time-slots serving 900 hours each:           | [850/1700] * [\$13,430] * 5     | = \$33,575.00.  |
| 5 reduced half-time slots serving 675 hours each:   | [647/1700] * [\$13,430] * 5     | = \$25,556.50.  |
| 5 quarter-time slots serving 450 hours each:        | [449/1700] * [\$13,430] * 5     | = \$17,735.50.  |
| 5 minimum-time slots serving 300 hours each:        | [300/1700] * [\$13,430] * 5     | = \$11,850.00.  |
| Total earned full-time fixed amount grant:          |                                 | = \$202,872.00. |

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If all of the members served 100 hours more than required hours for earning their educational awards for their slot types, the grantee will earn a larger fixed amount grant because minimum-time members' hours limit used in the formula is 359, an amount greater than the 300 hours for a minimum-time member's term of service. The calculation of earned fixed amount grant dollars for this scenario is:

|   |                                   |                 |
|---|-----------------------------------|-----------------|
| 5 full-time slots serving 1800 hours each:          | $[1700/1700] * [\$13,430.00] * 5$ | = \$67,150.00.  |
| 5 three-quarter-time slots serving 1300 hours each: | $[1190/1700] * [\$13,430] * 5$    | = \$47,005.00.  |
| 5 half-time slots serving 1000 hours each:          | $[850/1700] * [\$13,430] * 5$     | = \$33,575.00.  |
| 5 reduced half-time slots serving 775 hours each:   | $[647/1700] * [\$13,430] * 5$     | = \$25,556.50.  |
| 5 quarter-time slots serving 550 hours each:        | $[449/1700] * [\$13,430] * 5$     | = \$17,735.50.  |
| 5 minimum-time slots serving 400 hours each:        | $[359/1700] * [\$13,430] * 5$     | = \$14,180.50.  |
| Total earned full-time fixed amount grant:          |                                   | = \$205,202.50. |

The formula for calculating full-time fixed amount grant dollars uses the same MSY conversion factors and mathematical logic used in the eGrants system code for calculating the total number of MSYs to be awarded. This formula is also used by the Trust when recipients convert members between slot types. A financial impact explanation of why the formulas rely on the MSY conversion factors rather than using the educational award term of service hours follows:

*If CNCS awards a grant at \$10,000 per MSY funding one full-time slot, the grantee earns \$10,000.00 if the FT member serves 1700 hours. The member is required to serve 1700 hours to earn a full educational award. If the grantee converted the single FT slot into two half-time slots, the Trust and eGrants would revise the award to be supporting 2 HT slots using the 0.50000000 conversion factor. The two members filling the two HT slots are required to serve 900 hours to earn their educational awards.*

*With respect to calculating the earned grant dollars associated with the two HT members who served 900 hours each, CNCS calculates the earned grant amount by applying the same 0.50000000 conversion factor to the original 1700 hours of service associated with the original single FT slot. The conversion factor identifies an upper limit of 850 hours to be used when calculating earned grant dollars. If the conversion factor was not used, and instead CNCS relied on using the 900 hours required to earn a HT educational award, the calculation would incorrectly present that \$588.24 more than was earned, as illustrated below:*

*Calculation using hours required to earn an educational award:*

$$2 \text{ half-time slots serving } 900 \text{ hours each: } [900/1700] * [\$10,000] = \$5,294.12 * 2 = \$10,588.24.$$

*Versus the limited hours based on CNCS's MSY conversion factor-based formula:*

$$2 \text{ half-time slots serving } 900 \text{ hours each: } [850/1700] * [\$10,000] = \$5,000.00 * 2 = \$10,000.00.$$

**EAP grantees** earn fixed amount grant funds based on the number of members enrolled, adjusted by slot type. The formula used to calculate the grant dollars earned identifies the number of members enrolled by slot type, multiplying each by the dollars-per-MSY amount associated with that slot type. The dollars-per-MSY by slot type are identified by multiplying the dollars-per-MSY awarded by each slot type conversion factor.



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One example is an EAP program awarded an \$80,000.00 grant for 100 full-time slots funded at \$800.00 per MSY, enrolling 95 FT members. The earned EAP grant dollars per member, and total EAP grant earned are calculated without any adjustment by the MSY conversion factors since all of the members are FT, as follows:

[One (1) enrolled FT member] \* [Dollars-per-MSY] = [earned grant amount per member].

[1] \* [\$800] = \$800.00 = fixed EAP grant funds earned from enrolling one FT member.

\$800.00 \* 95 = \$76,000.00 = total fixed amount EAP grant funds earned.

If an EAP grant program was awarded with less-than-full-time slots, or full-time slots are converted to less-than-full-time slots, the formula used to calculate the grant dollars earned multiplies the members enrolled by slot type by the dollars-per-MSY awarded adjusted by the MSY conversion factor for each slot type. An example is an EAP program awarded 60 total slots at 10 slots of each type, funded at \$800.00 per MSY, and the program enrolled 5 members of each slot type. The earned EAP grant dollars per member, and the total EAP grant earned, are calculated using a formula which includes the MSY conversion factor for each slot type:

|                                      |                               |                |
|--------------------------------------|-------------------------------|----------------|
| 5 full-time slots enrolled:          | [\$800.00] * [1.00000000] * 5 | = \$4,000.00.  |
| 5 three-quarter-time slots enrolled: | [\$800.00] * [0.70000000] * 5 | = \$2,800.00.  |
| 5 half-time slots enrolled:          | [\$800.00] * [0.50000000] * 5 | = \$2,000.00.  |
| 5 reduced half-time slots enrolled:  | [\$800.00] * [0.38095240] * 5 | = \$1,523.81.  |
| 5 quarter-time slots enrolled:       | [\$800.00] * [0.26455027] * 5 | = \$1,058.20.  |
| 5 minimum-time slots enrolled:       | [\$800.00] * [0.21164022] * 5 | = \$ 846.56.   |
| Total earned EAP fixed amount grant: |                               | = \$12,228.57. |

**Full-time, Professional Corps, and EAP grantees** will encounter brief periods when the “on-the-ground” hours served by enrolled members may be unavailable in the program’s member enrollment, timekeeping, and associated records. Grantees have two options for estimating the earned grant funds associated with those brief periods such as days-long cycles between the bi-weekly or monthly submission of member timecards.

Grantees may consider the earned grant amount associated with such periods to be negligible and choose to not include those periods in their calculations. Or, grantees may wish to include those periods in their calculation of the grant funds earned-to-date.

When selecting the former, there is nothing more for the grantee to do other than document the policy within its payment and funds drawdown internal controls. When selecting the latter, the grantee must develop a defined, reasonable method for estimating the hours associated with member service when records are less than full and complete, and document the policy within its payment and funds drawdown internal controls. However, the ultimate amount drawn by a grantee upon completion of its grant must be based upon actual hours served, not estimates of yet-to-be-reported hours. In contrast to using an hours-served estimation, enrollment counts used should always be the actual number of members enrolled and recorded in the portal.

### **Drawing Fixed Amount Grant Funds**

When CNCS awards a fixed amount grant, the federal funds are obligated into the recipient organization’s Payment Management Services (PMS) account. After a grantee calculates its earned

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fixed amount grant funds to-date, inclusive of any interim estimated earnings calculations, the grantee may periodically draw that amount of funds from its PMS account. Fixed amount grants are paid on a reimbursement basis, and consistent with government-wide grants management regulations, drawing any amount greater than the calculated earned-to-date amount is not permitted.<sup>7,8</sup> All sub-recipients must follow the drawdown procedures established by the prime grantee from which they accepted their pass-through sub-grant.

**Full-time, Professional Corps, and EAP grantees** should draw their total earned to-date fixed amount grant funds from PMS incrementally on any cycle they wish to follow as long as all of the following is true:

- The organization has policies, procedures, and internal controls governing the steps necessary to drawdown federal grant funds along with identification of positions authorized to request, approve, and conduct drawdowns.
- The organization has policies, procedures, and internal controls ensuring the integrity of the drawdown process and protecting federal funds from waste, fraud, and abuse.
- The amount drawn is based on an accurate calculation of the earned grant amount using member enrollment and service hour records as-of or on-or-about the date the drawdown will be conducted.
- If estimations are used when establishing interim amounts to drawdown, the estimation method is documented within internal controls and the estimates used for each draw are retained in grant records.

CNCS's payment agent, PMS, has federal funds drawdown risk management policies embedded in its electronic systems designed to mitigate the risk of loss due to fraud or improper federal funds management. Therefore, at times a CNCS grantee drawing funds from PMS may have the draw denied because the amount or the activity has triggered a risk threshold. If that happens, the grantee should contact PMS to identify if the draw has been denied and why, and how to comply with the funds safeguard measures. If the grantee believes that they are incorrectly being blocked from accessing their earned grant funds, the grantee should contact their CNCS GO.

### **Monitoring Earned Fixed Amount Grant Funds and Grant Closeout**

#### Monitoring

CNCS and prime grantor pass-through entities monitor a recipient's incremental drawdown of fixed amount grant funds throughout the grant project period to ensure that only actual earned amounts are drawn. Monitoring includes establishing risk thresholds where a recipient's request to draw

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<sup>7</sup> CNCS recognizes that in some cases prime grantees such as national directs and State service commissions may need to establish internal controls for receiving, reviewing and paying fixed amount sub-grantee invoices, and such controls may delay sub-grantees' access to funds versus the overnight drawdown of funds available to prime grantees. Prime grantees may request CNCS's written approval of a plan for advancing fixed amount grant funds to sub-grantees. Requests to permit advance drawdown of fixed amount grant funds must explain why delayed access to funds exists and identify the adverse financial impact(s) unique to fixed amount grant award administration associated with delayed access.

<sup>8</sup> Prime grantees are issued overnight payments. While prime grantees may choose to submit a request for approval of a plan for advancing funds, in addition to addressing the causes and financial impacts, the request should address why overnight payment of earned amounts is inadequate to meet payment needs.

## **Fixed Amount Grant Financial and Administrative Process Guide**

larger than typical amounts are flagged for review prior to releasing funds. During grant closeout a final earned amount must be calculated to support the final drawn grant total. This part describes the methods used by CNCS to perform these functions. Pass-through entities use their policies, procedures, and internal controls appropriate for the grant programs and types they award and to comply with state and local laws and regulations applicable to their operations.

CNCS monitors a fixed amount grantee's drawdowns during the active grant project period on the following schedule:

- Twice a year, in January and June, for annual awards of \$700,000 or less.
- Four times a year, in January, April, June, and October, for annual awards over \$700,000.

These semi-annual and quarterly reviews use grant program member rosters extracted from the portal as the source of enrollment and hours-served per member data. Those data are applied to the formulas described in this Guide to calculate an estimated earned fixed grant amount as of the day the review is performed.

CNCS uses two spreadsheet-based tools that duplicate the formulas described in this Guide. One spreadsheet-based tool is used to reach an estimate of the earned fixed amount grant funds for full-time and Professional Corps awards, and a second spreadsheet-based tool is used to reach an estimate of earned EAP grant funds. The CNCS GO compares the federal funds drawn from PMS as of the date of the review versus the estimated earned grant amount as of that same date. Using the calculated variance, if any, the CNCS GO determines if an inquiry is warranted to discuss what appears to be an overdraw with a grantee.

With respect to monitoring earned grant funds for full-time and Professional Corps grants during their active project periods, CNCS recognizes that the member information in the portal available to a GO for the current program year can be incomplete and change rapidly. While portal data should be current and accurate for members who have completed their program year service, hours-served data are not always available for actively serving members.<sup>9</sup>

Therefore, CNCS's tool for full-time and Professional Corps grants calculates an estimated earned amount per active member (no service hours yet posted) based on the member's start of service date to the date the review is performed. Using this time-elapsed approach, CNCS's estimate of earned grant funds is more likely to be higher than the actual earned amount that a grantee establishes using hours-served records, and thereby minimizes the risk of CNCS GOs making unwarranted over-draw inquiries.

When a CNCS GO determines that the cumulative total federal funds drawn by a prime grantee appears to have exceeded the earned amount over CNCS's monitoring thresholds, the CNCS GO contacts the prime grantee to establish whether or not the grant is in fact overdrawn. If the determination is that the grant is overdrawn, the prime grantee must return the full overdrawn

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<sup>9</sup> During monitoring prior to closeout, Trust member rosters do not include the hours served by active status members. Therefore, for monitoring full time and Professional Corps type awards, CNCS uses elapsed calendar time from the date of enrollment and an assumed level rate of service hours accrued over time to estimate the permissible earned grant funds to attribute to actively serving members. Grantees will have more accurate hours served counts available for their calculations.

## Fixed Amount Grant Financial and Administrative Process Guide

amount to its PMS account and correct its policies, procedures, and internal controls to avoid future overdrafts.

### Closeout

After expiration of a fixed amount grant project period, CNCS calculates a final earned grant amount to close the grant. To establish the final earned grant amount, a CNCS GO uses the same methods used when monitoring the grantee's incremental draws during the active grant period. The only difference is that the program member roster from the portal is final and should reflect the exit status of all members, all member final total hours of service performed, and no member should be in an active status or recorded with zero hours of service.

As long as a grant's program roster is complete and final, CNCS's calculation of the final total earned fixed amount grant accurate to \$0.01 will also be final. If the GO determines that more funds than earned were drawn, the grantee must return the overdrawn funds to its PMS account. If overdrawn funds are not returned during closeout, CNCS establishes and recovers a debt for the federal funds owed.

Pass-through entities must establish similar policies, procedures, and internal controls to conduct closeout and recovery of overdrawn amounts.

### Resources

Depending on the number of member slots awarded, monitoring earned grant amounts and closing out fixed amount grants can range from a relatively easy task for programs with a few members to a tedious, potentially error-prone task for programs with hundreds to tens of thousands of members over the grant project period. For the former, the calculation of earned amounts may not require spreadsheet tools. For the latter, it is likely impractical to calculate earned amounts without the assistance of a spreadsheet-based tool.

CNCS shares its spreadsheet-based tools and associated user manuals with grantees and pass-through entities on the CNCS website. When engaging a grantee on earned amounts, a GO can provide the monitoring or closeout calculation result either in a spreadsheet file format, or by providing a member-by-member lists of grant earnings attributed to each member for comparison. Member-by-member comparisons are often useful to identify differences, leading to determining why a CNCS earned amount might differ from a grantee's calculation.

Grantees are not required to use CNCS's tools and may establish their own monitoring methods and tools so long as the formulas for calculating earned fixed amount grant funds presented in this Guide are used, or so long as they use mathematical formulas that are structurally different but apply the same mathematical logic. As long as the same mathematical logic is applied, the dollar amount results should be identical.

**Frequently Asked Questions**

**1. Question 1 (04/25/13; revised 08/24/18): What is the difference between a fixed amount grant and a cost reimbursement “standard” grant?**

**Answer:** There are two major differences in grant budgets and earned grant dollars between a fixed amount and cost reimbursement “standard” grant.

Under a cost reimbursement grant, sometimes referred to as a “standard grant” because they are the type most often awarded, recipients have an approved grant budget established prior to grant award. Cost reimbursement programs require both federal grant funds and non-CNCS funds documented in the grant budget, and both CNCS and non-CNCS funds may only be spent on allowable costs identified in federal grant regulations or consistent with the award Terms and Conditions. The grant budget identifies budget categories such as personnel, fringe, travel, supplies, and equipment; spending charged to federal or matching funds must fall within budget categories with approved line item costs. Adding new budget categories or modifications of an approved budget over certain thresholds must be reviewed by CNCS.

In contrast, fixed amount grant programs recipients are not required to present a grant application budget nor have one approved. There are no restrictions on the use of earned grant funds with respect to spending for costs defined as allowable or unallowable. CNCS does not request, monitor or assess non-CNCS funds that may be used to operate the program.

With respect to earned grant dollars, cost reimbursement grants are not at-risk of being reduced when a grantee’s performance does not meet member enrollment or service hour targets in a program year. As long as a program devotes its efforts to reaching performance metrics, all the awarded funds may be drawn and retained to reimburse for allowable costs in that year. In contrast, fixed amount grants are limited to the grant amount earned based on performance with respect to member enrollment and members’ hours served. Any amount drawn over the calculated earned amount must be returned to CNCS.

**2. Question 2 (04/25/13; revised 08/24/18): What are the advantages of fixed amount grants?**

**Answer:** Fixed amount grants require less financial reporting.<sup>10</sup> Fixed amount grants are exempt from the cost principles outlined in 2 CFR Part 200, Subpart E. This means that CNCS does not award funds based on a line-item budget or require programs to maintain documentation to support whether or not their expenditures of met allowable cost standards (i.e., necessary, reasonable, allocable, and not expressly prohibited). Other requirements in 2 CFR Part 200 still apply. In short, the advantages are:

- Cost principles do not apply.

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<sup>10</sup> Prime grantees such as national directs and State service commissions may require subgrantees to submit line item project budgets, detailed expenditure reports, or other financial reporting. Under the principles of pass-through funding, such requirements are allowable and generally not subject to CNCS’s control.

## Fixed Amount Grant Financial and Administrative Process Guide

- No tracking or documentation of cost sharing is required.
- Line item categorical budgets are not required.
- Financial reporting to CNCS limited to expenditure reports to our payment management agent (HHS PMS) and responding to inquiries regarding unexpended funds for potential carryover / carryforward into continuation years.

**3. Question 3 (04/25/13; revised 08/24/18): What are the disadvantages of fixed-amount grants in terms of grant funding retained by, or not retained by, a recipient?**

**Answer:** Under a fixed amount grant, grantees can only draw all of the funds awarded if all awarded slots are enrolled with members (EAP grants) or if all members enroll and complete the term of service for each slot type (full-time and Professional Corps). Grantees must not draw more funds than earned based on documented member enrollment and retention. If a grantee draws funds without having the requisite members enrolled or the appropriate amount of term served, the grantee owes the funds back to CNCS.

**4. Question 4 (04/25/13; revised 08/24/18): What requirements still apply under fixed-amount grants?**

**Answer:** Except for the requirements specifically attributable to allowable costs and application and financial reporting paperwork, all other requirements still apply. Grantees should refer to the regulations and grant terms and conditions that describe all requirements which include, but are not limited to, the following:

- Full-time AmeriCorps members receive the minimum living allowances and are offered health coverage.
- Members meet eligibility and criminal history check standards.
- Programs implement member time-keeping systems to track member service hours.
- Grantees and/or sites provide program management and supervision.
- Performance measures are reported into programmatic performance oversight systems.
- Programs contribute significant non-CNCS funds to fully operate the program.
- Grantees submit quarterly financial reports to CNCS's payment agent (HHS PMS).
- Grantees comply with the Uniform Administrative Requirements, including Single Audit requirements.
- Grantees comply with program income use and earning requirements.

**5. Question 5 (04/25/13; revised 08/24/18): How will fixed-amount grantees be able to draw down their grant funds?**

**Answer:** Refer to *Drawing Fixed Amount Grant Funds* presented in this Guide.

**6. Question 6 (04/25/13; revised 08/24/18): How will completion or partial completion of terms of service affect the amount of a fixed-amount grant that a program will be able to retain?**

**Answer:** Refer to *Earning Fixed Amount Grant Funds* presented in this Guide.

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7. **Question 7 (04/25/13; revised 08/24/18): Under a fixed amount grant, is there any difference in how much a program can retain of the earned grant amount for members who leave before completing the term for cause versus for compelling personal circumstances?**

**Answer:** There is no difference.

8. **Question 8 (04/25/13; revised 08/24/18): I have a Professional Corps fixed amount grant and CNCS has approved my program to use the timekeeping system of the profession and not keep the AmeriCorps timesheets. How do I determine the fixed amount grant funding earned if members leave before the end of their term of service?**

**Answer:** If approved for an alternative timekeeping system, is is required to have policies in place to determine the amount of the education award members earn if the member leaves prior to the end of the term of service. To determine the fixed amount grant dollars earned from a full-time Professional Corps slot when the member leaves before the end of their term of service, apply the same calculation used under the alternate timekeeping system to identify the hours to use in the calculation of the earned federal grant dollars for that slot.

If the alternate timekeeping system is designed to establish a percentage of term completed accurate to eight decimal points, apply that percentage to the hours required for a full term of service to identify the hours of service completed and to be credited towards calculating the earned grant amount for that slot.

9. **Question 9 (04/25/13; revised 08/24/18): If the cap on the amount available is \$13,430 per MSY but we are awarded a lesser amount per MSY, can we still earn the full \$13,430 if we do not exceed our total granted amount?**

**Answer:** No. CNCS describes the maximum potential fixed amount grant and highest dollars per MSY that might be awarded in Notices of Fund Availability, application instructions, or similar guidance for informational and application development purposes. Grant recipients can only earn and draw fixed amount grant funds at the awarded per MSY rate as identified on the grant NGA. Grantees are not barred from seeking grant amendments to modify the awarded amounts.

10. **Question 10 (04/25/13; revised 08/24/18): Under my program, members serve 1800 hours. Why can't I calculate the fixed grant federal dollars earned for a full-time member's service using the total number of hours served even if greater than 1700 hours?**

**Answer:** When members serve more than the minimum 1700 hours, the calculation for determining earned fixed amount grant federal dollars remains based on 1700 hours, which is the value of one (1) MSY. Under full-time and Professional Corps grants, additional federal funds are not earned when members serve over 1700 hours. Similarly, for full-time members who do not complete their term of service, a grantee's earned fixed amount federal grant is calculated based on the portion of 1700 hours completed, not the portion of a program's longer term of service, if one exists.

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### **11. Question 11 (04/25/13; revised 08/24/18): How is program income handled under a fixed-amount award?**

**Answer:** Fixed amount grantees must use program income to meet the costs of operating their grant program. If program income combined with the earned fixed amount federal grant funds exceeds the cost of running the program, contact your CNCS GO for appropriate next steps. Failure to report excess earned program income is a violation of the grant's terms and conditions.

### **12. Question 12 (04/25/13; revised 08/24/18): What kind of slot conversions can I do under a fixed amount grant?**

**Answer:** Under a full-time fixed amount grant, full-time slots can be converted into any less-than-full-time slot type serving in a full-time capacity; the reverse is true as well. Under a Professional Corps fixed amount grant, full-time slots must remain full-time slots. Under an EAP fixed amount grant, full-time slots can be converted to any less-than-full-time slot type; and less-than-full-time slots can be converted to other less-than-full-time slot types or combined to convert to full-time slots.

### **13. Question 13 (04/25/13; revised 08/24/18): As a State commission, what are my oversight responsibilities for fixed amount subgrantees with respect to earned fixed amount grant funds?**

**Answer:** With respect to financial oversight in context of earning, drawing, and retaining earned fixed amount federal grant funds, prime grantees such as State commissions and national directs, must monitor sub-awardees' member enrollment, service hours and retention rates to ensure grant fund payments are in sync with documented and correctly calculated earned sub-granted federal funds. Prime grantees distributing funds in excess of the correct earned amount are accountable to recover the overpayments. Prime grantees are not required by CNCS to monitor subgrantees' expenditures in regards to whether or not they were for allowable costs, and they do not have to ensure the subgrantee is securing and expending adequate non-CNCS share funds.

### **14. Question 14 (04/25/13; revised 08/24/18): What are the closeout requirements?**

**Answer:** The closeout of a fixed amount grant follows the same process as a cost reimbursement grant. Unique to fixed amount grants, prime grantees and the CNCS GO conduct a calculation of the final earned grant amount, including for each sub-grant. CNCS uses the procedures described in *Monitoring Earned Fixed Amount Grant Funds and Grant Closeout* in this Guide.

### **15. Question 15 (04/25/13; revised 08/24/18): Our accounting staff advise that we still have to establish and retain documentation of our actual expenditures. Do we have to do this?**

**Answer:** Yes, fixed amount grantees must comply with the administrative requirements for federal grants and must complete a single audit when applicable. To meet the single audit requirements, track total revenue and expenditures for the program. To meet Uniform Guidance administrative requirements, recipients must have an accounting system to record all expenditures. However, tracking whether an expenditure was covered using CNCS fixed amount



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grant funds or non-CNCS funds is not necessary and federal funds do not have to be tracked separately from other revenue received or expenses incurred for the program. Individuals responsible for drawing federal funds need to be aware that the organization earns its fixed amount grant funds based on member enrollment and service hours, not based on program-wide expenditures or living allowance payments to members.

**16. Question 16 (04/25/13; revised 08/24/18): If I am not drawing funds from the HHS payment system based on expenditures, how do I drawdown funds?**

**Answer:** The method to drawdown federal funds is described under *Earning Fixed Amount Grant Funds* and under *Drawing Fixed Amount Grant Funds* in this Guide.

**17. Question 17 (04/25/13; revised 08/24/18): Why are we required to submit an FFR to PMS in the payment system if we aren't required to submit it to CNCS?**

**Answer:** All grantees must comply with the Federal Cash Management Act, which is designed to ensure that grantees are not drawing more funds than they are eligible to draw. PMS uses the quarterly disbursement data you report through the FFR that it collects to make sure you comply with that requirement. If more funds are drawn than reported as disbursed, PMS may limit further drawdowns. Written procedures developed for CNCS's fixed amount grants should include procedures for drawing funds based on member enrollment and service hours instead of expenditures. If the PMS limits drawdown of CNCS grant funds, and drawdowns have been validated correctly using member enrollment and service hours, contact your CNCS GO to determine the cause(s) and option(s) available to release the funds.

**18. Question 18 (08/24/18): With respect to calculating the earned fixed amount grant dollars, why is CNCS not using the hourly calculation defined in CNCS's regulations at 45 CFR §2522.220?**

**Answer:** The regulations at 45 CFR §2522.220 speak to the minimum hours required for an individual to earn an educational award, not how fixed price grant awarded dollars are established, earned, or paid. To the extent those regulations could be construed to present an "hourly calculation," the regulations refer to the calculation of hours associated with less-than-full-time educational awards, and the education stipends that AmeriCorps members earn from their national service time. While it is important to understand how educational awards are controlled by regulations, it is equally important to recognize that these rules do not guide CNCS on how to calculate the award or the payment of fixed amount grant dollars.

**19. Question 19 (08/24/18): This Guide advises me to track my earned fixed amount grant frequently, as members enroll and serve. Previously, guidance from CNCS said, "the Serve America Act requires the final amount of the grant to be adjusted ... At the end of each program year, grantees should calculate allowable funds...." Which is correct, do I only need to check the amount once a year or must I do it more frequently?**

**Answer:** Before every draw of federal grant funds from PMS accounts, recipients need to conduct the calculations described in this Guide or equivalent computations to provide reasonable assurance that the upcoming draw and the sum of all drawdowns to-date will not be

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more than the cumulative total earned amount for that grant. At or about the time each program year ends, you also may be asked by CNCS to calculate the projected earned grant funds for that year to inform you and CNCS of potential carryover/carryover federal funds that may be used to offset or add to the next program year, or the amount that CNCS may direct to be returned.

**20. Question 20 (08/24/18): Rather than devoting time to calculating the earned fixed amount grant funds for every draw we make, my organization prefers to underdraw our earned funds, keeping a significant dollar gap between the actual grant funds earned versus the amount that could be drawn. We accurately calculate the final amount earned to draw at closeout. Is this permissible?**

**Answer:** Yes. Recognize that the procedure used to establish underdrawn earned fixed amount grant funds must originate with an accurate projection of the rate at which the grant, or the combination of sub-grants, will earn fixed amount grant funds. From that calculation, establish an amount to progressively draw that leaves no risk of overdrawing the true earned amount. Procedures should regularly mitigate the risk that underperforming programs do not cause a drawdown higher than actual earned amount.

**21. Question 21 (08/24/18): Rather than devoting time to calculating the earned fixed amount grant funds for every draw we make, my organization prefers to pay out one twelfth per month of the annual grant award to our sub-grantees, and then calculate the final amount earned at closeout. Is this permissible?**

**Answer:** No. Drawing fixed amount grant funds at a rate of 1/12 of the total award per month would rarely align with actual earned grant amounts, and carries an obvious risk of drawing more funds than have been earned.

**22. Question 22 (08/24/18): My program was awarded advance slots. How does that impact the calculation of my earned grant amount?**

**Answer:** When calculating earned fixed grant federal funds, any advance slots and the associated fixed amount grant funds must be removed (in the calculations) from the year in which they were awarded and assigned to the year when the members will serve. The procedure to do this is explained in the user guide for the CNCS fixed amount grant calculator.

**23. Question 23 (08/24/18): My fixed amount grant award for a continuation year was reduced by the unused federal funds from the prior program year. How do I account for this carryover/carryforward of prior year funds when calculating my earned grant amount?**

**Answer:** Each program year's dollars awarded per MSY is based on the total funded amount for that year. The total funded amount is a combination of prior year carryover/carryforward grant dollars (if any) plus total new federal grant funds awarded for that program year. In this manner, the correct federal grant dollars and dollars-per-MSY is used. The procedure to do this is explained in the CNCS fixed amount grant calculator user guide.

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**24. Question 24 (08/24/18): Under our full-time fixed amount grant, when individual members serve more hours than the maximum hours by slot type used to calculate earned federal grant dollars, can we use those extra service hours from one member’s service to compensate for members who fail to serve up to the limit for their slot type?**

**Answer:** No. The maximum hours served used to calculate earned full-time or Professional Corps fixed amount grant funds are based on each individual member’s service hours. Blending, combining, averaging or similar approaches to establishing the hours used to calculate the earned fixed amount grant are not permitted. The per-member limits are:

| Slot Type          | Code | Limit |
|--------------------|------|-------|
| Full-Time          | FT   | 1700  |
| Three-Quarter-Time | TQT  | 1190  |
| 1-Year Half-Time   | HT   | 850   |
| Reduced Half-Time  | RHT  | 647   |
| Quarter-Time       | QT   | 449   |
| Minimum-Time       | MT   | 359   |

**25. Question 25 (08/24/18): We noticed that the maximum hours served used to calculate the earned fixed amount grant for less-than-full-time slots serving in a full time capacity are whole numbers. However, when I calculate the limits the result is fractional and greater than the limits being used. Why is the formula not using the full fractional result?**

**Answer:** Members’ creditable national service under CNCS’s grant programs is recorded in full hours served. Fractional hours of service are not rounded up; they are rounded down. This same principle is applied to the limits established for less-than-full-time slots. The formulas use only whole hours of service identified from the mathematical calculation: [1700 hours] \* [MSY conversion factor by slot type] = [Hours limit by slot type].

**26. Question 26 (08/24/18): My EAP grant reached 95% enrollment. Shouldn’t we receive 100% of our awarded EAP federal grant funds?**

**Answer:** Rates of enrollment are not used in calculating earned EAP fixed amount grant funds. Earned fixed amount grant funds are calculated accurately to \$0.01 based on a count of enrolled members by slot type and dollars-per-MSY awarded under each grant. If a program reaches 95% enrollment, that fact is a programmatic performance measure, not a consideration when calculating earned EAP grant funds.

**27. Question 27 (08/24/18): My 100 member per year EAP grant program reached 95% enrollment with 95 members in year one, but in year two we reached 110% enrollment with 110 members. Shouldn’t we receive 100% of awarded EAP grant funds for years one and two combined?**

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**Answer:** The EAP program would receive funds based on 95% enrollment in the first year, and 100% enrollment in the second year. CNCS fixed amount grant federal funds, slots, and per-MSY-dollars awarded for one program year are not blended with prior or subsequent years. With respect to fixed amount grant dollars earned, over-performance in one year cannot be used to make-up for under-performance in another year of that same grant.

**28. Question 28 (08/24/18): My CNCS GO is telling me that even though my EAP grant roster lists 100 members, at closeout I am only being approved for 75 because 25 of the members' records have zero hours of service recorded. Now I am told I have to repay the funds we drew for those 25 members when we recruited them. What can I do to correct this?**

**Answer:** The earned grant amount for an EAP program is based on a count of individuals who have successfully enrolled as AmeriCorps members. Until a member is recorded as serving one (1) full hour, for the purposes of financial management of a fixed amount grant, the grantee has not enrolled that member and no EAP grant funds have been earned. Members logged into the Portal with zero (0) hours of service are not included in the calculation of earned EAP grant funds. If your EAP program has incorrectly logged individuals at zero hours of service, and your records authenticate that the individual successfully served one or more hours, you can correct your portal/roster records and the CNCS GO will recalculate the earned grant amount. With respect to grant financial administration, under both EAP and full-time fixed amount grants, exiting individuals from a program without establishing at least one hour of documented service recorded in the portal, is a high-risk practice subject to potential investigation by the grantor agency.

**29. Question 29 (08/24/18): My State commission needs to cover the administrative costs of managing sub-grants and would like to hold back one or two percent of the sub-granted amounts we award for fixed amount grants. Can we do this?**

**Answer:** For program year 2018-2019 and prior, no, CNCS does not permit administrative hold-backs or similar reductions of the funds that a pass-through entity such as a national direct or State service commission awards to sub-recipients. For program year 2019-2020 and beyond, refer to the NOFA/O and grant application instructions for guidance on the permissibility of administrative hold-backs on fixed amount sub-grants.

**30. Question 30 (08/24/18): Has CNCS always used the slot to MSY conversion factors presented in this guidance?**

**Answer:** CNCS has changed the slot-to-MSY conversion factors several times. Therefore, it is possible for the calculation of the earned fixed amount grant dollars to vary by a small amount when comparing older grants to much newer ones. Until program year 2009-2010, MSY conversion factors were based on ratios between annually established rounded educational award dollar amounts rather than on the ratios between required hours of service. That 2009-2010 method proved labor intensive, required costly and frequent Trust and eGrants software code changes, and had limited benefits. In November 2008, CNCS published MSY conversion factors to be used from program year 2009-2010 forward. Since then, the only changes have

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been to increase accuracy from four to eight decimal points and to add new types of slots. MSY conversion factors over time are presented in the table below.

| Slot type                | Pre-2008 MSY Conversion Factor | 2008 through February 2018 Conversion Factors | March 2018 to Current Conversion Factors |
|--------------------------|--------------------------------|---|--|
| FT (Full-time)           | 1.000                          | 1.0000  | 1.00000000                               |
| TQT (Three-quarter time) |                                |   | 0.70000000                               |
| HT (1-year half-time)    | 0.500                          | 0.5000  | 0.50000000                               |
| RHT (Reduced half-time)  | 0.375                          | 0.3810  | 0.38095240                               |
| QT (Quarter-time)        | 0.250                          | 0.2646  | 0.26455027                               |
| MT (Minimum-time)        | 0.200                          | 0.2117  | 0.211640022                              |

**31. Question 31 (08/24/18): My grant involved buy-back slots. How does that impact my calculation of the earned grant amount?**

**Answer:** Whether or not a fixed amount grant was funded through a process called, “buy-back slots,” has no impact on the calculation of the award itself or on determining the earned fixed amount grant funds. When a CNCS formula grant to a State service commission is expiring, the commission may be offered the opportunity to use unexpended funds to fund an additional prime grant year. If permitted, that additional year is supported entirely with carryover/carryforward grant funds. All of the sub-grants awarded in that additional year will reflect that they were entirely funded using prior-year federal grant funds (carryover/carryforward). There is no difference between grants partly or wholly funded with carryover/carryforward funds versus grants funded with no carryover/carryforward funds.

**32. Question 32 (08/24/18): When we refill slots, does CNCS award additional funds to off-set the increased number of members we administer, and are the new members’ hours to be served reduced by the hours served by the members they replaced?**

**Answer:** No. The option to refill member slots does not come with any commitment by CNCS to award additional grant funds. If a recipient believes that its circumstances with respect to refilling vacated slots warrants additional federal funding, the grantee can apply for a supplemental award.

Refill members may serve up to and beyond the hours they are obligated to serve to earn a full educational award. Up to slot type limits, all of the refill members’ hours count towards earned fixed amount grant funds, their hours are not reduced by the hours previously served by the members whose slots they refilled. However, it is possible for the combined total of hours served by the exited member(s) plus the hours served by the refill member(s) to result in a calculation of earned grant funds higher than the total awarded grant. Under those circumstances, the maximum amount that can be earned is limited to the grant dollars awarded for the associated program year.

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**33. Question 33 (08/24/18):** When I attempt to divide the federal grant funds awarded by the number of awarded MSYs, the result does not match the dollars-per-MSY described on our NGA. Is something wrong with the NGA information?

**Answer:** Unless a CNCS prime grant is funding a program with a 1:1 relationship between the number of slots awarded and the number of MSYs awarded, dividing funds by MSYs will not equal dollars-per-MSY awarded narrative found in the NGA award description field. Many if not most grants fund multiple programs, mixtures of slot types, and often mixtures of fixed amount grant types. For many awards there is no basic calculation of overall dollars-per-MSY that can be compared to the dollars-per-MSY identified in the NGA's award description field.

The dollars-per-MSY by program identified in the award description field of an NGA is obtained from the grant application and the eGrants system code calculation and manually reentered as text in the NGA. For this reason, is it important for a recipient to closely examine every NGA received to confirm that the information is consistent and accurate with the fixed amount grant type and its financial parameters of the application funded.

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