



**Serve Washington**

**Changing Communities. Changing Lives.**

# Subgrantee Quarterly Update

January 25, 2018

<b>AGENDA</b>		
10:00 am	<b>Welcome</b>	Robyn Harris
	<b>Roll Call by Program</b>	Denise Berns
	<b>Serve WA Updates</b>	Debbie Schuffenhauer
	<b>CNCS Notice of Funding Opportunity (NOFO)</b> <ul style="list-style-type: none"> <li>• <b>Competitive</b></li> <li>• <b>Formula</b></li> </ul>	Robyn Harris
	<b>General Announcements</b>	Robyn Harris
	<b>Fiscal Grants Management Training</b> <ul style="list-style-type: none"> <li>• <b>Review fiscal grants management, specifically</b> <ul style="list-style-type: none"> <li>○ <b>Financial Management</b></li> <li>○ <b>Cost Sharing/Matching</b></li> <li>○ <b>Timesheets/Timekeeping</b></li> </ul> </li> <li>• <b>Discuss challenges</b></li> <li>• <b>Explore ways to strengthen practices</b></li> </ul>	Bruce Lehman
	<b>Q&amp;A</b>	All
11:30 am	<b>Adjourn</b>	



# Serve WA Updates

- **Status of Federal Budget for FY18**
  - **Continuing Resolution (CR) through 2/8/18**
  - **Programs may continue to operate; current grants are funded with FY17 dollars**
  - **The FY18 budget will impact the 2018-2019 program year**
- **President Trump Nominated Barbara Stewart to be the Next CEO of CNCS**
- **Serve Washington - Executive Director**



# FY18 CNCS NOFO

## PY18-19 Grant Awards

- Increased Living Allowance for FT
  - \$13,732-\$27,464 (*over \$1,100 increase*)
- Maximum Cost Per MSY
  - \$14,932 (*increase for cost reimbursement only*)
  - \$13,430 (*remains flat for fixed amount*)
- Increased Ed Award
  - \$5,920 FT (*less than FT found [here](#)*)

## Competitive

- Serve WA Successfully Submitted
- Programs Notified
- Tentative CNCS Clarification Periods Released
- CNCS Award Announcements Mid-May

## Formula

- February 26 – RFGA Released
- March 1 – TTA via WebEx
- April 2 – Applications Due



# Fiscal Grants Management Training



# Fiscal Grants Management

## You need to know...

- The information in this session is based on CNCS and Federal laws, rules and regulations; CNCS grant terms and provisions; and generally accepted accounting and financial principles and practices.
- As a state commission, we may impose additional requirements.



# Fiscal Grants Management

## Learning Objectives

- Review and boost knowledge of grants management; specifically,
  - Financial Management 2 CFR 200.302
  - Cost Sharing & Matching 2 CFR 200.306
    - Define cash and in-kind
  - Supporting Documentation 2 CFR 200.333
    - Review Documentation Basics
    - Learn to record, value, and document in-kind match
    - Learn to identify and prevent key pitfalls related to documentation
- Explore ways to strengthen current practices



# Financial Management

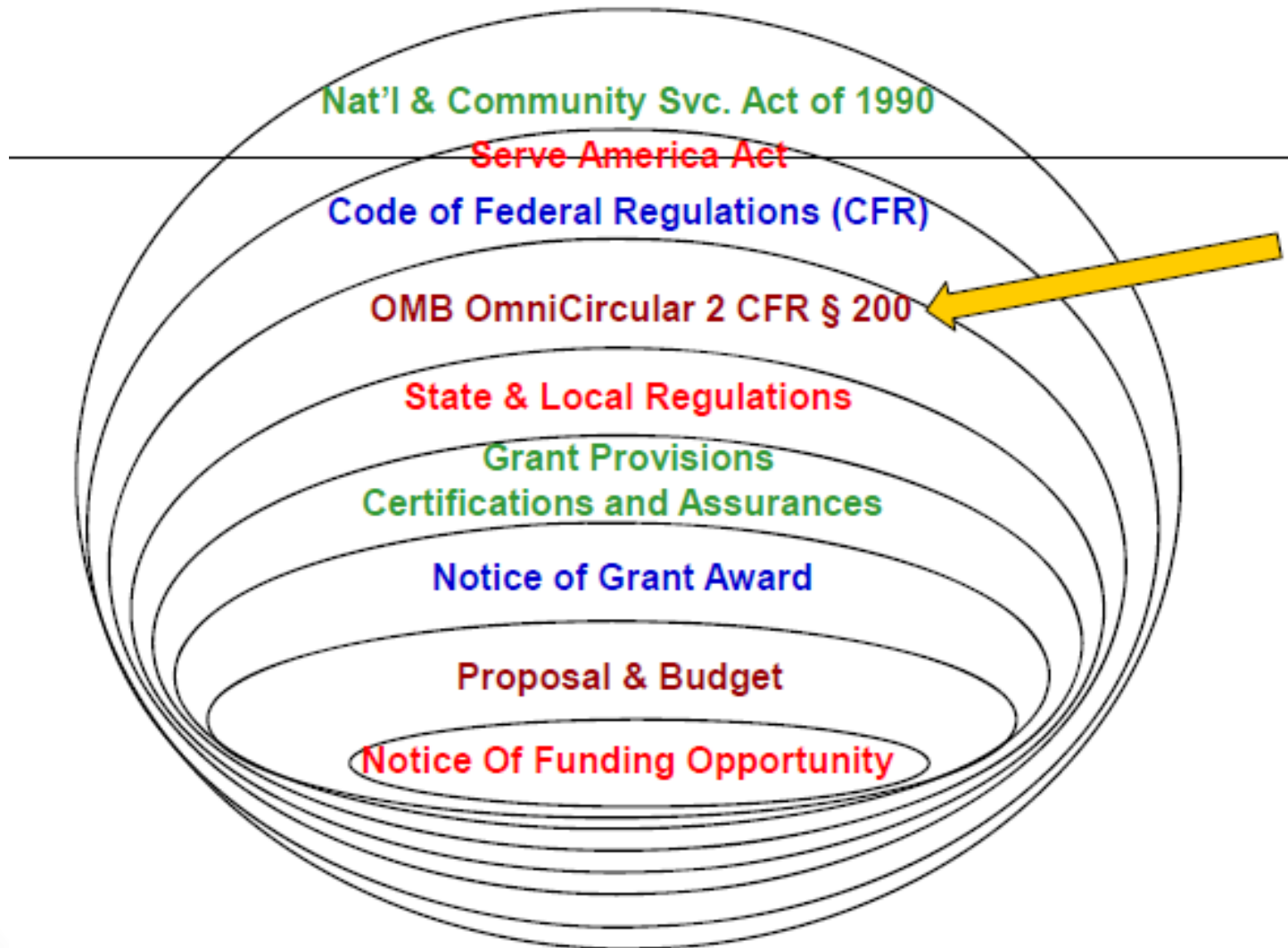
## 2 CFR 200.302

[eCFR](#)





# Elements of Grants Management



# OMB Omni Circular 2 CFR 200

The ~~new~~ Omni Circular (aka Uniform Guidance) provides guidance and requirements relevant to Federal grants in three major areas:

- **Administrative Requirements**
  - Accounting system
  - Documentation requirements
- **Cost Principles**
  - Allowable & Unallowable Costs
  - Indirect Costs
- **Single Audit Requirements**



# Strong Financial Management

- Distinguishes grant vs. non-grant related expenses
- Accounts for each award/grant separately
- Identifies costs by program year
- Records cost in General Ledger by budget category
- Differentiates between direct and indirect costs
- Records in-kind contributions as both revenue & expense
- Retains allocation methodology
- **Retains supporting documentation for all costs charged**
- Charges only costs included in the approved budget
- Marks unallowable costs ineligible
- Correlates financial reports submitted to Serve WA (CNCS) directly to your accounting information and supporting documents



# Segregate Funds



Department of Education Grant



AmeriCorps Grant

match



Ford Foundation Grant

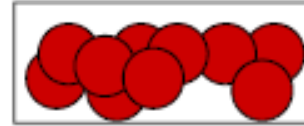
Accounting System



Grant 1

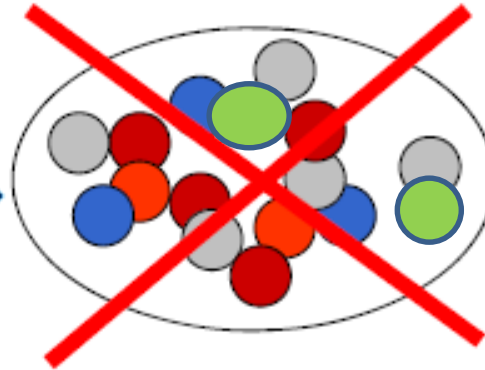


Grant 2



Grant 3

NOT →



# Cost Sharing/Matching

## 2 CFR 200.306

[eCFR](#)



# Acceptable Match

**Cash & In-kind contributions are accepted as part of the grantee share/match when ALL the following are met:**

- Are verifiable from your organizations records
- Are not included as contributions for any other Federal award
- Are necessary and reasonable for accomplishment of project or program objectives
- Are allowable under Subpart E-Cost Principles
- Are not paid by the Federal Government under another award, except where authorized
- Are provided for in the approved budget
- Conform to other provisions of the Omni Circular (Uniform Guidance)



# Project Costs

The total allowable budget or expenditures incurred to operate the program and accomplish its objectives is divided into 2 sections:

**Federal  
Share**

Portion of budget or total expenditures paid for with Federal funds (CNCS)

**Grantee  
Share**  
aka: Match

Portion of total expenditures not paid for with CNCS funds

**Federal and Grantee Share funds must be treated consistently**



# Sources of Match

## Cash Contributions

- ❑ Contributions received by cash, check, electronic funds transfer, credit card, or payroll deduction, stocks

## In-Kind Contributions

- ❑ Value of third-party, non-cash contributions
- ❑ May be in the form of real property, equipment, supplies, services, and other expendable property

Approved Budget → Match Amount and Sources of Match

Sources of Match Changed Significantly → Contact your Grants Officer





# In-Kind Contributions

- In-Kind contribution = Non-cash contributions
  - Benefit the project or program
  - Are contributed by third-parties without charge
    - Non-Federal entity
    - Entity other than your organization
  - Must meet all the same criteria as cash match to be allowable



# Volunteer Match



Do not count as match

- The value of direct community services performed by volunteers



Do count as match

- Services that are integral and necessary part of an approved project or program
- Rates must be consistent with those paid for similar work by your organization
- Count services such as accounting, legal, training of staff or members that are elements of the grantee's cost allocation plan

# In-Kind: Employee Services

- When a third-party organization furnishes services of an employee
  - Must be valued at the employee's regular rate of pay
  - May include an amount of fringe benefits that is reasonable, necessary, allocable, and otherwise allowable, and indirect costs at either the third-party's federally negotiated indirect cost rate or F&A costs provided these services employ the same skills for which the employee is normally paid



# In-Kind: Consultants, Skilled, Unskilled Labor

- Value of services is not allowable as direct or indirect costs
- Value may be used to meet cost sharing or matching requirements according to 2 CFR § 200.306
  - Supported by same methods used to support the allocability of regular personnel services in 2 CFR § 200.430
  - Fair market value of donated services must be computed according to 2 CFR § 200.306



# In-Kind: Property & Space

- ❑ Value of personal property and space is not reimbursable as direct or indirect costs
- ❑ Value may be used to meet cost sharing or matching requirements according to 2 CFR § 200.300
- ❑ Donated property value must not exceed the fair market value of the property at the time of the donation



# Valuing In-Kind Contributions

- ❑ **VERIFY** the value is reasonable, necessary, allocable, and allowable
- ❑ Use fair market price/fair rental price at the time of donation
- ❑ Consider what it would cost to obtain similar goods or services
- ❑ The donor must provide the value of the donation

The IRS defines ***fair market value*** as  
the price that item would sell for  
on the open market



# Recording In-Kind Contributions

- ❑ Maintain adequate documentation to support amounts claimed as match
- ❑ Maintain same documentation for both CNCS Federal share and for grantee's share
- ❑ Documentation must meet same standards as other expenditures within organization
- ❑ Record donation and valuation of item in detail
- ❑ Enter into the General Ledger as income and expenditure
  - Failure to enter match contributions into general ledger requires a formal explanatory policy and separate spread sheet accountability of receipt and use



# Why In-Kind in General Ledger?

Statement of Financial Accounting Standards  
**(SFAS #116)** sets the standard:

- Contributed services are recognized in financial statements if services received:
  - Create or enhance non-financial assets, or
  - Require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if not provided by donation





# Recording In-Kind Contributions

Enter into the General Ledger as income and expenditure:

***Example:***

A local paint store donates a professional paint sprayer with a fair market value of \$550.00

\$550.00 – 7250 In-Kind Expense Account (debit)

\$550.00 – 5250 In-Kind Income Account (credit)



# Is Your Match Acceptable?

- Keep documentation for all cash & in-kind charges
- Charge costs to only one project/grant
- Review all match to ensure it is necessary and reasonable to meet your program objectives
- Review costs to determine if they are allowable
  - Ask questions – don't risk it!
- Discuss & document using other Federal funds with that agency
- Obtain approval to incur pre-award costs
- Follow-up on promises to provide & obtain in-kind documentation
- Request budget amendments to include new sources of match
- Know the regulatory & other match requirements
  - CNCS 45 CFR 2521 and OMB 2 CFR 200, Subpart E-Cost Principles



# Documentation



# Supporting Documentation

## Documentation Basics

### Why Retain Documentation?

- To track incoming information
- To review information
- To provide historical evidence (data)
- To provide evidence of accomplishments
- To prepare for an audit



# Staff Payroll & Timesheets

- All salaries, wages and benefits charged to grants must be based on records that accurately reflect the work performed
- Ensure timely completion and documentation of NSCHCs for covered positions
- Hiring record for salary/wage amount, benefits provided by employer
- Documentation for pay raise? COLAs?



# Documentation

- Be supported by internal controls that assure charges are accurate, allowable, and properly allocated
- Be incorporated into the official records of the organization
- Reasonably reflect the total activity for which the employee is compensated, not to exceed 100% of compensated activity
- Include both federally assisted AND all other activities compensated
- Comply with the organization's established accounting policies and procedures



# Documentation

- Support the distribution on the employee's salary or wages among specific activities or cost objectives if the employee works on:
  - More than one Federal award
  - A Federal award and non-Federal award
  - An indirect cost and a direct cost activity
  - Two or more indirect activities that are allocated using different allocation bases
  - An unallowable activity and a direct or indirect cost activity



# Documentation

- Budget estimates DO NOT qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that
  - the estimate system produces reasonable approximations of the actual activity performed
  - Significant changes in the work activity are timely identified and entered into the records
  - A process to review after-the-fact interim charges based on estimates
    - Adjustments must be made so the final amount charged is accurate, allowable, and properly allocate





# Strong Timekeeping System

- Document all salaries & wages charged to a grant with a consistently applied timekeeping system
- Use timesheets that align with the payroll period to report all activities of the employee, both on the grant and other projects
- Implement procedures for a supervisor to review & approve all timesheets before sending to payroll
- Require timesheets are signed after the pay period ends, include this in your written policy
  - Exception – planned leave
- Reconcile budgeted salaries to actual after-the-fact time spent on the grant
- Apply same rules to applying staff salaries & wages whether they are paid by Federal funds or match



# Strong Timekeeping System

- Benefits are adjusted at the same percentage as salaries/wages.
- Review your written timekeeping policies and procedures
  - Are they consistent with 2 CFR 200.430-437?
  - If not, revise and implement changes immediately
- Follow your organizations timekeeping policies & procedures
  - Ensure timesheets are completed and approved/signed as required



# Travel Documentation

Travel Voucher: example...

- Purpose of trip
  - Start and end date & time;
  - Locations: Beginning and Ending (in between?)
  - Mileage and Rate per mile
  - Per diem and lodging rate
  - Documented either manually or electronically
- Reasonable
  - Supporting documentation: GSA Per diem rate, POV mileage rate, State travel rates, Your organization written travel policies.
  - Approval or Pre-approval for the travel?



# Documenting In-Kind Contributions

1. Document the basis for determining value of personal services, material, equipment, building, and land
2. Obtain written acknowledgement from the donor to include:
  - Name and signature of donor
  - Date and location of donation
  - Detailed description of contributed item or service
  - Estimated value of contribution, how value was determined, who made the determination
  - Whether the contribution was obtained with Federal funds

**\*\*\* *Keep a copy of the receipt in your files* \*\*\***

**If audited, a grantee may be required to provide supporting documentation of ALL donations, if not available during the audit**



# Documenting Value In-Kind Contributions

- Use fair market price
- Consider what it would cost to obtain similar goods or services
- The donor must provide the value of the donations
- Review the donation letter or form to ensure the value is reasonable
  - What is the source document?
  - Where is the source document?
  - What is your organization's risk tolerance?
  - Should you/You should? get documentation of the fair market price at time of donation



# Documentation Pitfalls & Prevention

- PitFalls
  - Inadequate staff time & activity documentation to support the grant
  - Inadequate documentation for match expense
  - Other Federal agency funds used as match “without authorization”
  - Expense was not necessary to operate grant
  - Expense was unreasonable or excessive
  - Expense not included in approved budget
  - Expense incurred outside of the grant award period



# Documentation Pitfalls & Prevention

- Prevention
  - Ensure documentation is adequate
  - Review all costs to ensure it is necessary & reasonable
  - Follow-up on in-kind and get documentation
  - Obtain written approval from the other Federal agency to use its funds
  - Request budget amendments as necessary
  - Know the regulations and other requirements



# Documentation: Take it & Share it with staff & sites

1. Familiarize all staff and “sites” with cash and in-kind match requirements
2. Establish and apply documentation practices to ensure costs are: allowable, reasonable, allocable and consistently applied
3. Ensure supporting documentation relates directly to approved program funded by the CNCS grant
4. Maintain proper records and follow record retention policy
5. Documentation applies to all sources of funds: CNCS, match/grantee, cash and in-kind.





# Closing

Successes/Challenges?  
Questions?

**Next Call: April 26 @ 10am**

send topics of interest to [robyn.harris@ofm.wa.gov](mailto:robyn.harris@ofm.wa.gov)

