Welcome to Module 4: Budgets, Reports, and Grant Management. If you have not reviewed Module 3 please do so before you start this presentation.
Prior to starting this presentation:

- Review the Budget Narrative Section of your current grant.
- Review the NPDO Syllabus and complete Module 4 Preparation Activities

The red arrow indicates that there is more information on the topic in the Syllabus.

The New Project Directors’ Orientation (NPDO) Syllabus provides the information you will need to complete the NPDO curriculum. Please complete the Module 4 activities before starting this presentation.
Module 4 Objectives

By the end of Module 4, you should understand:

- Key elements of Senior Corps budget requirements
- Senior Corps program and financial reporting requirements
- Common compliance findings for documentation and recordkeeping
Module 4 presents grant management information project directors need for day to day operations of Senior Corps grants.
Senior Corps Grant Budget

- The budget approved in the grant application is part of grantees contractual obligation.
- The budget must conform to guidelines and regulatory restrictions.
- Project support provided under a CNCS grant shall be furnished at the lowest possible cost consistent with the effective operation of the project.
- Project Directors should work with the sponsor’s fiscal staff and regularly compare the budget amounts to actual costs.

Senior Corps grant budgets are proposed in the grant application. CNCS issues the Notice of Grant Award when grants are approved for funding. It is the sponsoring agency’s responsibility to manage the grant budgets in compliance with regulations and the terms and conditions of their Notice of Grant Award.
Sponsors must have an efficient accounting system that is capable of:

- Distinguishing grant versus non-grant related expenditures
- Identifying costs by budget period
- Identifying costs by budget category
- Differentiating between direct and indirect costs
- Maintaining Federal and required non-Federal share separately
- Recording in-kind contributions as both revenues and expenses

Sponsors must have an accounting system that meets program requirements and are in agreement with accepted accounting practices and include the capacities listed on the slide.
Budget Management

CNCS Share (Federal) + Grantee Share (Match) = Your Grant Budget

Project costs in the grant application are separated by the proposed source of project support: Federal and non-Federal.

- **Federal:** In the budget Federal funds are labeled “CNCS share.”
- **Required non-Federal:** In the budget, the non-federal share is labeled “Grantee Share.” It may also be referred to as local match or applicant share. Non-Federal funds are from sources other than CNCS. Costs included under this category must meet the same cost requirements as the Federal funds.
- **Excess non-Federal:** This is the part of the total non-Federal budget that is in excess of the 10, 20, or 30 percent non-federal share requirement. Inclusion of excess non-Federal costs is not required.

It is important to understand terminology used in the Senior Corps budget.

**Federal:**
The grant funds from CNCS to support a Senior Corps project.

**Required non-Federal:**
The part of the total non-Federal budget used to meet the required non-Federal share. Any additional amount that the grantee chooses to include as part of the non-federal share of the total project cost should also be under this category. Costs included under this category must meet all the cost requirements established by CNCS and it becomes part of the grantee’s contractual obligation.

**Excess non-Federal:**
It is generally recommended that as long as costs are allowable, sponsors should budget those costs as part of the required non-Federal share so they can be easily reported on the project’s Financial Status Report. If excess non-Federal funds are budgeted, they must support the purpose of the project, consistent with the Domestic Volunteer Service Act. Failure to meet the total budget, including the excess, will be examined in light of the overall effect on the project's accomplishment of its goals and objectives.
Budget Overview: Calculating Non-Federal Match:

Match is calculated by dividing the total amount in the “Grantee Share” column by the sum of the “Total Amount” column minus the amount in the “Excess Amount” column, you can calculate your match by using these formulas:

10% Match = (Federal Amount / 1-.1) – Federal Amount
20% Match = (Federal Amount / 1-.2) – Federal Amount
30% Match = (Federal Amount / 1-.3) – Federal Amount

The required non-federal match is: FGP and SCP- 10% of the total cost; RSVP- 10% of the total cost in the first year of a new grant; 20% in the second year; and 30% in the third and succeeding years.

Excess does not count toward your match. Match is based on the total grant funds: CNCS Share plus grantee share, not just the federal share.
### Budget Overview: Common Sources for Matching Funds

<table>
<thead>
<tr>
<th>Cash:</th>
<th>In-Kind Contributions:</th>
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<tr>
<td><em>Donations</em></td>
<td><em>Value of donated service or goods</em></td>
</tr>
<tr>
<td><em>Non-Federal income</em></td>
<td><em>Labor</em></td>
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<td><em>Local governments</em></td>
<td><em>Space</em></td>
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<td><em>State appropriations</em></td>
<td><em>Vehicles</em></td>
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<td><em>Foundation grants or corporate contributions</em></td>
<td><em>Training</em></td>
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<td><em>Supplies</em></td>
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<td><em>Equipment</em></td>
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Government-wide, with rare exceptions, grantees cannot use other federal funds as match.

It is the responsibility of the sponsoring agency to find resources to meet the grantee share. Cash as well as in-kind donations may be used as grantee match. It is important to document the planned sources of matching funds when preparing your budget.
There are two section in the Senior Corps budget: Volunteer Support Expenses and Volunteer Expenses. Volunteer Support Expenses include the funds budgeted to administer the program. Volunteer Expenses include funds that directly benefit the volunteers.
Direct Benefit Ratio for FGP and SCP

The total of cost reimbursements for Foster Grandparent and Senior Companion volunteers, including stipends, insurance, transportation, meals, physical examinations, uniforms if appropriate, and recognition must be equal to at least 80 percent of the CNCS Federal share of the grant. Federal and non-Federal resources, including excess non-Corporation resources, can be used to make up this sum.

Calculate the Direct Benefit Ratio by dividing Budget Section II Subtotal by the CNCS Share Total = must equal at least 80%

This amount reflects the Federal cumulative total of the volunteer support expenses (expenses that were incurred and are listed on the project budget in Section 2: Volunteer Expenses). These costs are direct costs spent with your Federal grant for: Stipends, Meals, Uniforms, Insurance, Recognition, Volunteer Travel and Physical Exams. These costs are cumulative over the three-year performance period.
Senior Corps grantees should ask the following questions about costs charged to the budget: Is it allowable? Is it allocable? Is it reasonable? Is it necessary?
Four Key Elements of Costs

Reasonable

- A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs.

Necessary

- The cost is of a type generally recognized as ordinary and necessary for the operation of the organization or the performance of the award.

These requirements applies to the federal share as well as grantee share (matching funds). Budgets, reporting and recordkeeping should be in keeping with Generally Accepted Accounting Principles (GAAP).
Throughout the grant year project directors should work with their fiscal department to be sure the budget is being managed in compliance with the approved grant budget. The required match, and FGP and SCP direct benefits ratio, should be tracked throughout the year.

Occasionally, during implementation of a grant, a grantee may need to make adjustments to the approved budget. A budget amendment should also be submitted anytime there is a change in the budget. The changes listed on the slide require prior CNCS approval, and a budget amendment to amend the NGA.

Prior approval is required for grantees receiving more than $100,000 of CNCS funds per year and if cumulative changes exceed 10% of the total budget. For grantees receiving $100,000 or less, the percentage change is not a factor in determining requirements for submission of a formal rebudgeting amendment.

You should consult with your program officer regarding budget changes, even if pre-approval is not required.
Accessing Grant Funds and Managing Advances

All Senior Corps grantees are paid through the Department of Department of Health and Human Services (HHS) Payment Management System (PMS).

- Senior Corps grantees must establish an account with the HHS/PMS that allows them to draw down funds.
- When a grant is awarded, the grant is recorded in the CNCS accounting system and transmitted to PMS which maintains an account for each grant. Grantees draw funds from their PMS account.

The project director may be delegated the authority by the sponsoring agency to draw down grants funds from the Payment Management System. It is important to understand the process and required reporting for this system. CNCS Grants officers can provide information regarding setting up PMS accounts. Links to information on using the PMS is included in the NPDO Syllabus.
Module 4: Budgets, Reports, & Grant Management

Reports
Reports and Recordkeeping

Reporting and recordkeeping are essential functions of project management to ensure proper stewardship of public funds and provide information needed to report to the Congress and Executive Branch of the Federal Government on expenditures, project progress, and accomplishments.

General reporting and recordkeeping requirements are discussed in this presentation. Projects should always consult their specific Notice of Grant Award (NGA) for due dates and terms and conditions for the specific requirements of their grant.

There is a chart of the reports required for Senior Corps projects in the NPDO Syllabus.
Ensuring Data Integrity

Data accuracy and timeliness are extremely important. The reporting data projects enter into the CNCS Electronic Grants Management System is used for agency metrics, external reporting, and management data.

- As you prepare your grant applications, and reports, please make every effort to ensure submissions are on time, accurate, and fully complete.
- With your help we can increase data integrity and minimize the time spent correcting data issues.

If you have questions or concerns about how to complete a report, contact your CNCS State Office for assistance. Program officers have been asked to closely review your submissions and when they find discrepancies or incomplete submissions, to work with you to correct them before they accept the application or report.
Reports and Data can:
- Tell your story
- Demonstrate progress on project
- Describes impact in community
- Inform internal planning and development
- Showcases accomplishments
- Supports funding requests

In addition to meeting Senior Corps reporting requirement your reports and data can be valuable to marketing, program planning, and fundraising.
Submitting Reports

Reports Submitted in the CNCS Electronic Grants Management System:
- Grant Applications
- Federal Financial Reports (FFR)
- Project Progress Reports (PPR)
- Progress Report Supplement (PRS)

Reports Submitted in the HHS Payment Management System:
- PMS Federal Financial Report (FFR)

The reports listed on the slide are required reports. Most are completed in the CNCS online system. There is also a required financial report in the Payment Management System. Links to instructions for each report can be found in the NPDO Syllabus.
Terminology used in Senior Corps Reports

- Reporting Period: The time frame covered for the report
- Project Period: The three year grant cycle
- Performance Period: The three year grant cycle
- Budget Period: One year of the project period

Be sure to enter project reporting information that corresponds to the reporting period listed in the report form. In addition to Reporting Period you will see references to other time periods in discussions of grants and reports.
Financial Reports

CNCS Federal Financial Report (FFR)
- Grantees report expenditures semi-annually by submitting an electronically signed form in the CNCS online system within 30 days of the end of each reporting period, as specified in the Terms and Conditions of the NGA. The final FFR for the 3 year grant award is due 90 days after the end of the grant.
- FFRs describe expenses on a cumulative basis over the performance period of the grant (3 years).

PMS Federal Financial Report (FFR)
- The PMS report is an overview of the cash status of the account. It contains data provided by PMS to the recipient and the net disbursement amount as calculated by the recipient. The PMS FFR Report is similar to a checking account reconciliation.
- Due quarterly (45 days after the end of the quarter) submitted to HHS using the PMS system.

The CNCS FFR and the PMS FFR are two separate reports and both must be completed. PMS requires an FFR to be filed quarterly, while CNCS requires a bi-annual FFR; for a total of 4 PMS FFRs and 2 CNCS FFRs each budget year.
CNCS Federal Financial Report

- The FFR is a summary of expenditure activity over a specified time period.
- Grantee Share and CNCS Share of funds expended are reported.
- The FFR includes cumulative information over the life of the grant (3 years).
- Grantee must ensure proper documentation is recorded to support all information reported in the FFR.
- All financial reports should be prepared with information that comes directly from the organization’s accounting system.
- The Grants Officer reviews the FFR.

FFR reporting is completed by completing 3 screens:
- Identifying information
- Transaction entry
- Certification

The documentation supporting the transaction details must be available to CNCS upon request.

When you have completed the third year of the grant, the CNCS FFR amount must equal the amount drawn down from PMS which should equal the amount recorded on your PMS FFR.
CNCS Federal Financial Report

The Grants Officer reviews the FFR to verify that grantee is on track to:

- Meet the required match
- Drawdown/spend the grant funds
- Meet the FGP and SCP Direct Benefits Ration
- Meet the required FGP and SCP Volunteer Service Years (VSY)
CNCS Financial Reporting

Reporting Volunteer Hours - FGP and SCP

FGP and SCP volunteer hours are reported on a cumulative basis over the budget year (one year period), not the project period (three year period).

For example:
- Year 1
  - 1st PPR Jan – Jun (21,028)
  - 2nd PPR July- Dec (21,028 + 18,972) = 40,000
- Year 2 and 3
  - Beginning balance should be zero

FGP and SCP Volunteer hours are reported in the FFR as well as the PPR. The numbers in the FFR should be equal to numbers in the PPR for each reporting period.
Module 4: Budgets, Reports, & Grant Management

Project Progress Report

- The purpose of the PPR is to report on key activities and progress in implementing work plans and performance measures.
- The PPR is submitted semi-annually and annually.
- The PPR is due no later than 30 days after the end of the reporting period.
- Submitting the PPR later than 45 calendar days after the established due date may result in a temporary hold on grant funds.

The Senior Corps project progress report is submitted twice annually. Information and data should be collected and tracked throughout the year. It is recommended that new project directors review the PPR report forms to become familiar with the reporting requirements.
Progress Report Supplement

The PRS is a national data collection instrument completed annually by all Senior Corps grantees. Data from individual project reports is aggregated nationally.

Numerous aspects of Senior Corps activities are reported, including volunteer numbers and hours, service activities, types of sponsors and stations, volunteer demographics, children and clients served.

The data is used to track historical trends across fiscal years. To develop state and national reports and snapshots of project activities, clients served, sponsor and volunteer station profiles, volunteer demographics and trends, and other aspects of project operations.

The PRS is a key data source used for Congressional appropriations hearings and to respond to other information requests.

The PRS is typically due in the between October and December and covers the 12 month reporting period from July 1 to June 30. Senior Corps notifies grantees when the report is available, along with instructions for completing the report.
Annual Assessment

- Senior Corps program regulations specify that grantees “annually assess the accomplishments and impact of the project on the identified needs and problems of the client population in the community” (For RSVP, “of the community”).

- This assessment is often accomplished with the involvement of members of the local community, including members of the project’s community participation group.

- A copy of the annual assessment to assess the accomplishments and impact of the project should be submitted as part of the continuation application once during year 2 or year 3 of the grant cycle with other supporting document.

You may notice an Annual Assessment is included in the list of required supporting documents in the Senior Corps Grant Application. This is assessment is required by the Senior Corps regulations 45 CFR 2551.23(j), 45 CFR 2552.23(j), and 45 CFR 2553.23(j). There is no specified format or process. You can design a process that suits your local circumstances. You may find it helpful to make this annual assessment part of a broader review of all aspects of project operations. You must report on the assessment in year two or three grant continuation application. More information is in the NPDO Syllabus.
Grant Close Out

At the end of each three year grant cycle the grant is closed. The process for closing the grant includes:

- Complete grant close out within 90 days of the end of the project period
- Final PPR – Due within 30 days of the end of the grant
- Final CNCS FFR and Final PMS FFR- Your expenditures must the same on each. Due within 90 Days of the end of the grant.
- Final grantee match must be at required percent
- Final FGP and SCP Direct Benefit Ratio must be at 80%
- Any unexpended funds are returned to CNCS
Recordkeeping
Recordkeeping and Documentation

As required by 45 CFR 2553.25(g), the sponsor must develop recordkeeping and reporting systems in compliance with Corporation requirements that ensure quality of program and fiscal operations and facilitate timely and accurate submission of required reports. The sponsor’s records also document compliance with regulatory programmatic and fiscal requirements and must be available to CNCS staff to review on compliance monitoring site visits.

During a compliance monitoring visit the Program Officer, and possibly the Grants Officer, will review program and financial files to determine compliance with Senior Corps regulations and policies. It is important to maintain complete and accurate documentation through the life of the grant.
Individual Senior Corps Volunteers Records

All Senior Corps project must maintain a file on each volunteer containing:

- A signed enrollment form including name, address, and date of birth.
- A signed Designation of Beneficiary (for insurance purposes).
- The name of the station(s) where the volunteer is placed
- Position description (RSVP), person-to-person assignment plans (FGP/SCP)

Additional documents for FGP and SCP Volunteers:

- Initial income eligibility
- Record of pre-service and inservice trainings
- Complete Criminal History Checks
- Annual physicals, performance reviews, and income reviews

It is important to be sensitive to confidentiality when dealing with volunteer, station and beneficiary files. Due to the personal nature of the file information, CNCS recommends that volunteer records be kept in locked files. Personal information about volunteers should be disclosed only with the express prior written permission of the volunteer.
Volunteer Stations Records

The project should maintain a file on each volunteer station containing:

- Documentation of station eligibility
- A current, signed Memorandum of Understanding with non-discrimination, reasonable accommodation requirements, a designated supervisor and mutual responsibilities included.
- Letters of Agreement where there are in-home assignments through the volunteer station.
- A listing by name of the volunteers placed with the volunteer station.

Records may be kept in hard copy or electronic form.
Common Compliance Findings
Recordkeeping Common Findings – In-kind Donations

- Inadequate or missing documentation of in-kind donations
- Documentation of in-kind contributions - same standards as other expenditures
- Documentation for in-kind contributions must record donation and valuation of item
- In-kind contributions must be entered into the general ledger and other reports submitted to CNCS in order to be recognized as match
- In-kind contributions must be included in Federal Financial Report submitted to CNCS to be recognized as match

It is essential that grantees have written policies and procedures as well as accurate documentation to demonstrate compliance with the program rules and regulations. Reviewing common findings related to documentation will help you to avoid them.
Proper Documentation of In-Kind Donations

An in-kind donation form should include the basis for determining the value of personal services, material equipment, building, and other non-cash donations as well clarify that the source of the donation is not in part or in whole from another federal source.

In-kind donation forms should include:
- Name of donor
- Date and Location of donation
- Description of item/service
- Fair market value
- Signature of donor and recipient

In-kind donations may be part of a project’s local match. To be allowed as match the in-kind documentation has to be recorded in compliance with generally accepted account principles.

- The value of the donation should be placed by the donor, or contributor; not the recipient.
- According to the IRS, the actual or “fair market price” should be the price that item would sell for on the open market.
- Grantees should review donation form to ensure the value is reasonable before signing it.

Funds from Federal agencies other than the CNCS, including federally funded in-kind resources, may not be budgeted as part of the sponsor’s required non-Federal share, except those funds specifically authorized by law. The burden is on the sponsor to document for the CNCS that any funds or in-kind resources from another Federal agency are authorized to be used to make up the non-Federal share of a grant from CNCS. A sample In-Kind Form is in the NPDO Syllabus.
Recordkeeping and Common Findings – Staff Time

Time record compliance findings:

- Incorrect percentage of staff time charged to grant
- Time sheets not signed either by staff or supervisor, or both.
- Time sheet does not reflect non-grant activities of staff
- Time sheet reflects budgeted rather than actual time

Project Personnel Expense is one of largest expense categories in Senior Corps budgets. It is critical to properly document staff time that is charged to the grant.
Proper Documentation of Staff Time

Time records must:

- Reflect an after-the-fact distribution of the employee actual activity
- Account for the total activity of each employee paid from the grant
- Be prepared at least monthly and must coincide with one or more pay periods
- Be signed by the employee or supervisor having first hand knowledge of staff activity, e-signatures are acceptable
- Sponsors should be sure their time recording policy is in compliance with the Uniform Circular for their agency type.

For an employee who is less than 100% billed to the grant, there should be support documentation of how many hours is spent on each cost objective. The documentation must be 1) after the fact, 2) account for total hours worked, 3) be prepared at least monthly, and 4) be signed, or certified electronically, by the supervisor.

When project staff are employed in the operation of two or more Senior Corps projects, in order to be allowable, their salaries and fringe benefits must be budgeted on a prorated basis in each project's budget, based on the allocation of time to each project. Grantees must document actual time spent on each grant, and only actual time should be reported.

The level of staff time to be spent on the grant is approved when program officers approve the grant budget in the application. If a change is needed in the level of staff time devoted to the grant it should be approved by the program officer.
Documentation and Compliance Tips

- Record Retention: Data collected, including financial records, must be retained for at least three years from the date the grantee submits the final FSR for the project period or three years past the last audit, whichever is most recent.
- Expenditures should contain documentation (i.e., brief descriptions, agendas, reports etc.) that demonstrates costs are: reasonable, necessary, allocable, allowable, and adhere to grant guidelines.
- Ensure there is a clear audit trail for all financial reports from the accounting system to data submitted.
- Transactions not supported by documentation can be disallowed and cost will be owed back to CNCS.

If there is an on-going audit, the grantee must retain all records until all audit findings are fully resolved.
Documentation and Compliance Tips

- Sponsor staff should be familiarize with grant regulations, OMB Circulars, and sponsor’s policy to ensure compliance.
- Delays in submitting FFRs may cause advance or reimbursement requests to be delayed until the overdue FFR is received.
- Apprise Program Officer of questions, concerns, issues, or developments related to the grant.
Summary
Module 4 Summary

Now that you’ve completed Module 4, you should:

- Have a better understanding of the requirements for budgets, reports, and recordkeeping.
- Be aware of the common compliance findings for recordkeeping

Reminder:
- To reinforce what you have learned visit the recommended CNCS websites listed for Module 4 in the NPDO Syllabus.
- Consult with your program officer if you have questions about Module 4.

If you have not completed the Module 4 Preparation Assignment, please take some time to complete it. Once you have completed the Preparation Assignment and Presentation 4 you are ready to conclude the 4th Module by consulting with your program officer regarding any question you may have about the information covered in Module 4.
Congratulations! You’ve successfully completed the Module 4 presentation of the New Project Director’s Orientation! Thank you for your participation.