

## Budgeting Tips

The budget plan is the financial expression of the project or program as approved during the award process. It includes the Federal and non-Federal shares.

Grantees are required to report deviations from budget and program plans, and request prior approvals for budget and program plan revisions.

**Fixed Amount Grants** do not have budgets or budget controls in the grant award and are, therefore, exempt from the following approvals except for subgranting or subcontracting.

### 1. Budget Deviations

**AmeriCorps programs must obtain prior approval from CNCS or their state commission for:**

- Subgrants or contracts not included in the approved application and budget
- New spending in object classes that had no previous approval for spending, e.g., adding supply costs when supply costs were not previously in the budget
- Specific costs requiring prior approval before incurrence under OMB Cost Principles, e.g., overtime pay, renovation and alteration costs, and pre-award costs
- Purchases of equipment using grant funds, unless specified in the approved application and budget, i.e., items with \$5,000 or greater unit cost
- Cumulative changes between budget object classes when the next change will meet or exceed 10 percent of the currently approved budget

**NOTE: Subgrantees or sites should be sure to check the requirements for budget amendments as specified by the state commission and/or by their parent prime grantee organization.**

## 2. Budget Controls

The OMB administrative requirements incorporated into your grant and the AmeriCorps *General Grant Provisions* require that:

- Grantee's financial management systems provide for: Comparison of outlays with budget amounts for each award. Whenever appropriate, financial information should be related to performance and unit cost data.

### **What does this mean?**

The grant budget becomes an important part of your contractual agreement with CNCS, and therefore requires effective monitoring for variances.

The budget controls assure that your organization stays within the parameters of the detailed budget submitted and awarded by CNCS, or granting agency, and that your organization has adequate resources to implement and complete the program.

### **How do you demonstrate it?**

- Prepare expenditures reports compared to the grant budget by budget line
- Make comparisons monthly; at a minimum, quarterly
- Implement a review of the comparisons by the program director and financial manager, i.e., initial/sign-off and date of review