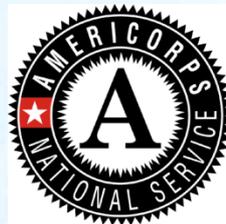


# Managing Multiple Grants

May 10, 2007

Walker and Company LLP



Corporation for  
**NATIONAL &  
COMMUNITY  
SERVICE** 

# Session Objectives

- Provide participants with examples of policies and procedures to streamline the process
- Identify common challenges and provide solutions to managing multiple federal grants
- Review components of effective financial management
- Provide guidance to properly segregate multiple grants in the accounting system



# Internal Controls/Policies and Procedures

# Internal Controls

## Why have internal controls?

- Improve accountability to constituents (Community, Board of Directors, CNCS, etc.)
- Help organization achieve performance and budget targets
- Improve reliability of financial reporting
- Improve compliance with laws & regulations
- Prevent loss of resources and public trust

# Elements of Good Internal Controls

- Documented policies and procedures
- Adequate review process for financial reports and budgets
- Adequate cash management procedures (e.g., monthly bank reconciliations)
- Physical safeguarding of assets
- System to track members' & employees' activities
- System to follow-up on problems identified to ensure resolution

# Examples of Policies & Procedures

## **Documented Policies and Procedures include:**

- Master calendar of all grant reporting deadlines
- System to communicate effectively between staff
- Tickler for grant file outlining programmatic requirements
- Tickler for financial components of grant to ensure compliance
- Cross training notes for daily, monthly, quarterly, semi-annual and annual duties in case of turnover

# Budget Controls

## **A properly approved budget is:**

- A financial blueprint to help an organization meet its goals and objectives
- A tool to help ensure an organization is meeting matching requirements

## **Programs should:**

- Periodically review budget to actual expenses
- Assure budget changes are properly approved
- Review movements between line items and verify if they are within provision guidelines

# Budget Change Controls

**At a minimum programs must obtain prior approval from the Commission or Corporation for:**

- Changes to budget line items exceeding established limits
- Changes to increase or reallocate funds for member support
- Purchase of equipment over \$5,000



**Be sure to check with individual funders**



# Challenges and solutions to managing multiple grants



# Small Group Discussion

Identify challenges and discuss  
the solution . . . . .

# Challenges and solutions to managing multiple grants

Challenge: Each funder (CNCS, State Commission, other State or Federal funder) may have varying requirements for grant compliance



Solutions:

- Carefully review grant contract
- Establish a working relationship with your contact at the granting agency
- Create a master calendar of deadlines for the grants
- Remember that funders have the latitude to determine their own requirements

# Challenges and solutions to managing multiple grants

Challenge: Definitions may be implemented differently by each funder (CNCS or State Commission).



Solutions:

- Ask questions directly to granting agency contact, never make assumptions
- Reiterate your understanding of key items, i.e. program income, compliance issues, budget amendments, indirect cost limitations, etc. as they vary across the country

# Challenges and solutions to managing multiple grants

Challenge: Each funder (CNCS or State Commission) may require different financial information in reports.



Solutions:

- Have a firm understanding of the system and the reports generated
- If there is a miscommunication of information, ensure it is resolved sufficiently
- Document notes to clarify requirements
- Understand that each funder has the ability to set their own requirements based off their assessment of risk...



# Effective Financial Management

# Effective Financial Management

The right components...

**Accurate Information**

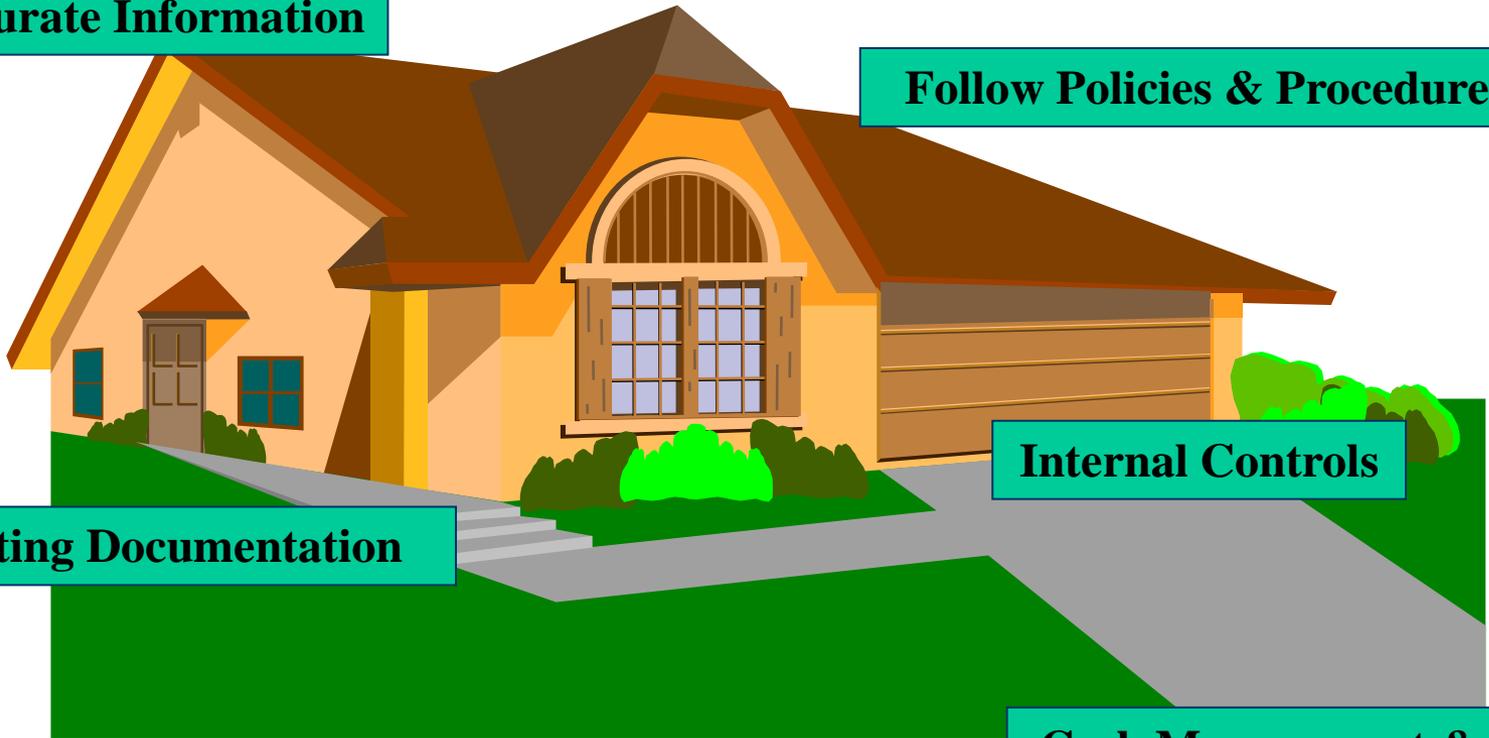
**Follow Policies & Procedures**

**Internal Controls**

**Supporting Documentation**

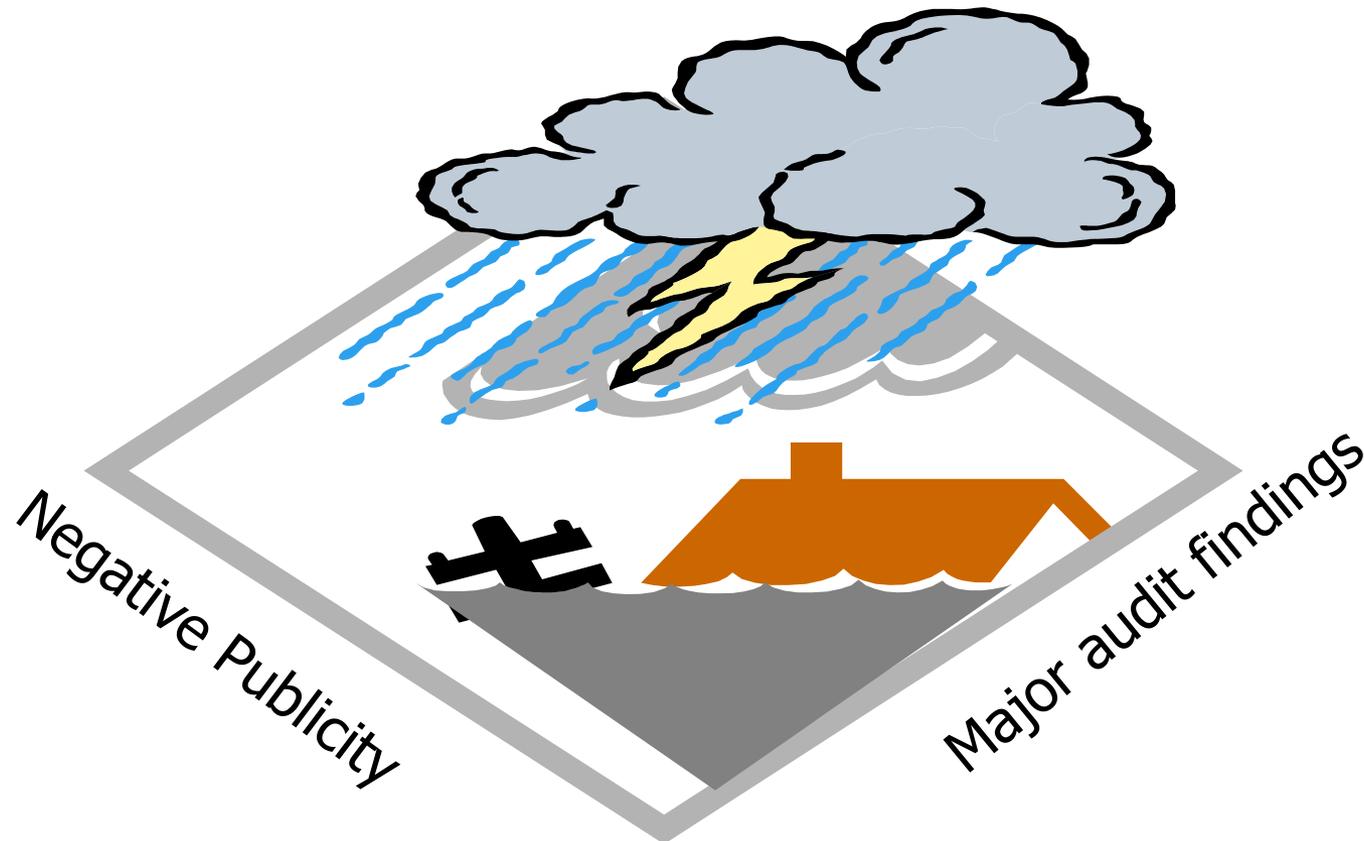
**Efficient Accounting System**

**Cash Management &  
Budgetary Controls**



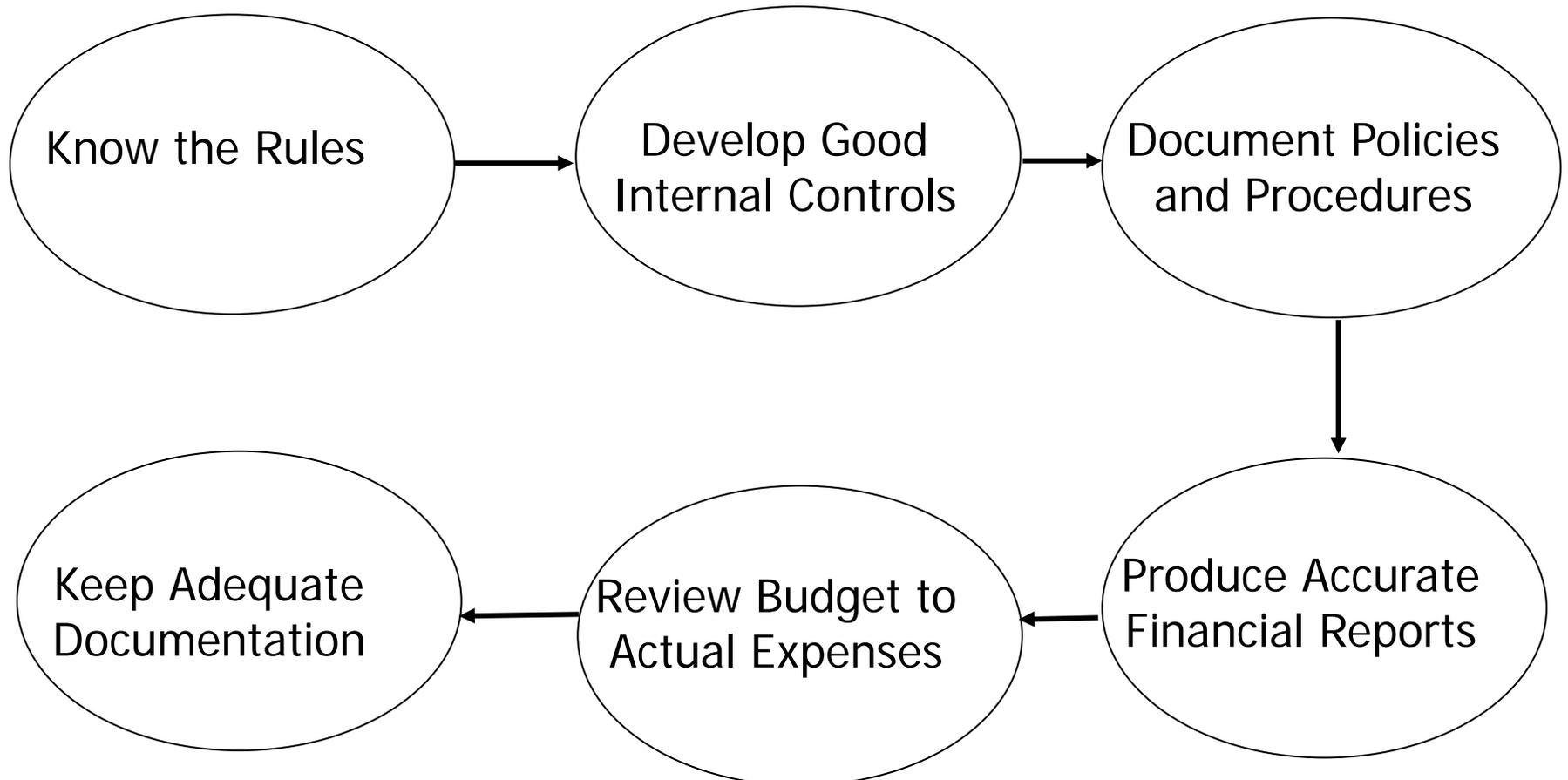
# Ineffective Financial Management

**Mission is not achieved**



**Funding is delayed, withheld, or repaid**

# Process for Developing an Effective Financial Management System



# Efficient Accounting System

**Organizations accounting system must be capable of:**

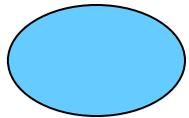
- Distinguishing grant vs. non-grant related expenditures
- Identifying costs by program year
- Identifying costs by budget category
- Differentiating between direct and indirect costs (administrative costs)

# Efficient Accounting System (continued)

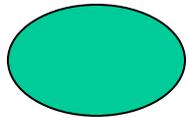
## **An efficient accounting system should also:**

- Account for each award/grant separately
- Maintain Federal/non-Federal matching funds separately from grant funds
- Record in-kind contributions as both revenue and expense
- Allow management to easily obtain financial reports at both the summary and detailed levels
- Correlate to financial reports submitted to Commission or CNCS

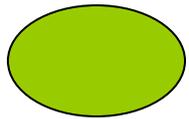
# Accounting system that does not segregate funds



AmeriCorps Grant – State 1

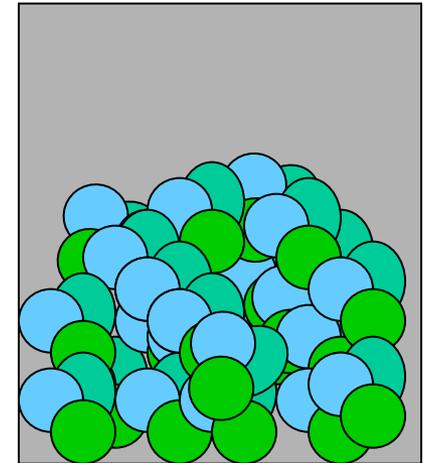


AmeriCorps Grant – State 2

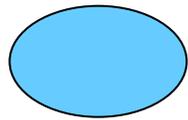


AmeriCorps Grant – State 3

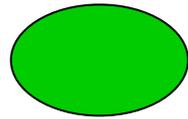
Accounting System



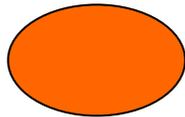
# Properly Segregate Funds



AmeriCorps CNCS Grant –  
State 1

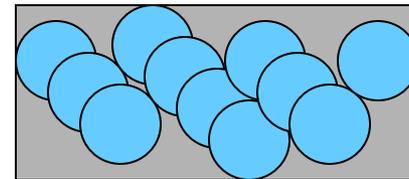


AmeriCorps CNCS Grant –  
State 2

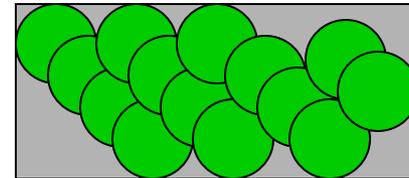


AmeriCorps CNCS Grant –  
State 3

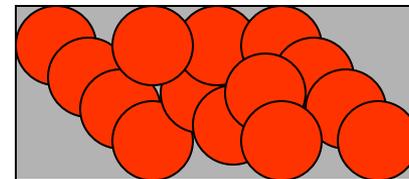
Accounting  
System



Grant 1

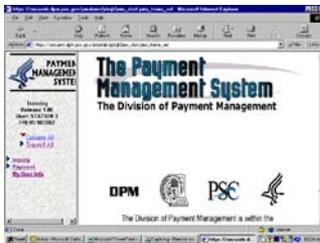
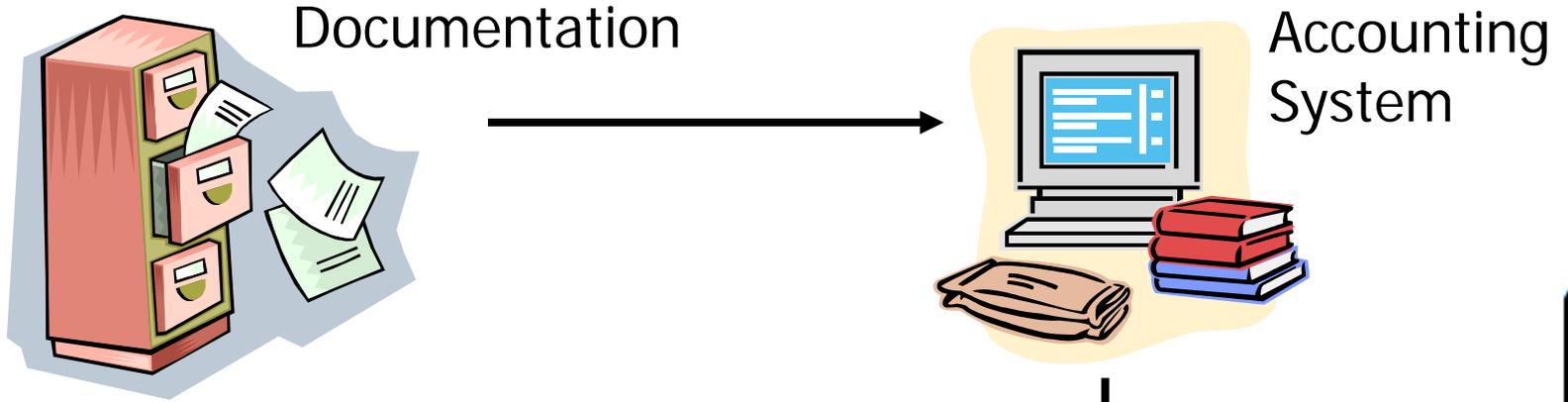


Grant 2



Grant 3

# Developing a Clear Audit Trail



FFR – Cash report

FFR



	Operating	Non-Operating	Total
Administrative Expenses	1,221.84	0.00	1,221.84
GR - Gross	2,222.00	1.00	2,223.00
Total Income	3,000.00	1.00	3,001.00
<b>Expenses</b>			
<b>A. Member Support Costs</b>			
Health Insurance	1,911.00	40.00	1,951.00
Member Supplies	212.00	2,071.00	2,283.00
Member Dues	1,461.00	40.00	1,501.00
Member Transportation	59.00	2,000.00	2,059.00
Total A. Member Support Costs	2,443.00	4,111.00	6,554.00
<b>B. Other Member Support Costs</b>			
Training and Education	65.00	200.00	265.00
Total B. Other Member Support Costs	65.00	200.00	265.00
<b>C. Staff</b>			
Benefits	307.00	307.00	614.00
Staff Salaries	1,320.00	1,320.00	2,640.00
Total C. Staff	1,627.00	1,627.00	3,254.00
<b>D. Other Operating Costs</b>			
Local Transportation	200.00	200.00	400.00
Total D. Other Operating Costs	200.00	200.00	400.00
<b>F. Administration</b>			
Administration	1.00	20.00	21.00
Total F. Administration	1.00	20.00	21.00
Total Expenses	2,477.00	2,198.00	4,675.00
Net Outdoor Income	1,221.84	2,198.00	3,419.84

# Critical Elements For All Financial Reports

## Financial Reports should be:

- **Timely** – Ensure all deadlines are met
- **Accurate** – Use accounting data that has been reviewed
- **Complete** – Reports should contain all pertinent information relating to reporting period.

# Major Elements of a Financial Report

- There should be proper documentation in the files to support all information reported in financial report.
- All financial reports should be prepared with information that comes directly from the organization's accounting system
- There should be review and reconciliation of the information to ensure accuracy prior to report submission.

# Financial Status Reports

- Federal Financial Report
- Commonly referred to as FFR
- Know your deadlines
  - For direct grantees FFRs are due to CNCS via eGrants 30 days after end of period, usually semi-annually & FFR Cash Reports to HHS thru PMS quarterly
- Reports cumulative information on Federal and Grantee expenditures
- Reports on both cash and in-kind match



# Segregation of Accounts

# Appropriate Accounting for Multiple Grants

- Chart of Accounts
- Recording different revenue streams
- Budget Comparisons
- Reporting

# Chart of Accounts

- Chart of Accounts
  - Numerical sequence of account codes that define the accounting structure
  - Flexible, tailored to organization's needs
  - Able to assign codes to track budget and compare against expenses
  - Narrative description for each account
  - Ensure codes represent the expense line items for each grant and align with the budget

# Sample Chart of Accounts

- 1000-1999 – Assets
- 2000-2999 – Liabilities
- 3000-3999 – Net Assets
- 4000-4999 – Revenue
- 5000-5999 – Expenses
- 6000-6999 – Other Revenue (interest)
- 7000-7999 – Other Expenses



# Coding by Funding Source

Account Description	110-Admin	120-State Grant	130-AC Grant, State 1	140-AC Grant, State 2	150-AC Grant, State 3
5100- Travel					
5200 - Salaries					
5210-P/R Taxes					
5220-Health Ins.					
5230-Retirement					
5240-Disability Ins.					
5250-Life Ins.					

# Reporting

- Budget
  - Monitor budget to actual expenses for each grant on a regular basis
- Reporting
  - Know the reporting requirements for each grant
  - Know the deadlines for each grant
  - Design specific reports through the accounting system to meet reporting requirements



# Questions