



Budget Development



Budget Functions



An approved AmeriCorps budget is part of the grantee's contractual obligation and:

- ◆ A financial blueprint for grant-supported activities
- ◆ Helpful to ensure terms and conditions compliance
- ◆ A tool for measuring progress toward match requirements and monitoring budget to actual expenses

Budget Effectiveness



An effective budget is:

1. Realistic

- ◆ Reflects expected program revenues and expenses and its capacity to carry out program activities

2. Consistent

- ◆ Aligned with program' s goals and objectives

3. Flexible

- ◆ A project' s budget must be able to adapt to changing financial and operating circumstances

Budget Narrative



- ◆ Follow instructions in NOFO
- ◆ Only includes allowable, reasonable, necessary, and allocable costs, as defined by the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200)
- ◆ Estimate resources needed to achieve program goals
- ◆ Organize narrative to fit budget categories
- ◆ Provide adequate descriptions and calculations based on a consistent and documented cost allocation plan
 - Level of effort: % of time on activity X salary
 - Rent: CNCS program space ÷ total host agency space

Unallowable Costs



Include:

- ◆ Lobbying
- ◆ Expenses not necessary to meet program objectives
- ◆ Entertainment and alcohol
- ◆ Costs that would constitute waste, fraud, and abuse
- ◆ Unreasonable costs from a “prudent person” perspective
- ◆ Costs with no logical basis for allocating to your program

Match Requirements



Regulatory Match:

- ◆ Minimum grantee share is 24% of program costs for the first three years. Overall grantee share of total program costs increases gradually, beginning in Year 4 to 50% by the tenth year of funding and any year thereafter.
- ◆ One dollar for every CNCS dollar by year 10.

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Overall Minimum Share	24%	24%	24%	26%	30%	34%	38%	42%	46%	50%

Budget Structure



Budget is separated by major categories and divided into CNCS and Grantee share

Direct	Indirect or Administrative
<p>Program Operating Costs and Member Costs directly attributable to meeting the goals and objectives of the program</p>	<p>General or centralized administrative expenses of organization receiving CNCS financial assistance</p>
<p>Examples:</p> <ul style="list-style-type: none">◆ Allowable, direct member charges◆ Costs related to staff who train, recruit, or supervise members◆ Uniforms and special equipment◆ Independent program evaluations◆ Member and staff travel	<p>Examples:</p> <ul style="list-style-type: none">◆ Accounting, auditing, general legal services◆ Internal evaluation◆ General liability insurance◆ Salaries and benefits related to general organizational management and support

Program Operating Costs

Section I.

- A. Personnel Expenses
- B. Personnel Fringe Benefits
- C. Travel
 - 1. Staff Travel
 - 2. Member Travel
- D. Equipment
- E. Supplies
- F. Contractual and Consultant Services
- G. Training
 - 1. Staff Training
 - 2. Member Training
- H. Evaluation
- I. Other Program Operating Costs

Member Costs



Section II.

A. Living Allowance

B. Member Support Costs

- ◆ FICA
- ◆ Worker's Compensation
- ◆ Health Care
- ◆ Unemployment Insurance
- ◆ Other Member Support Costs

Administrative and Indirect Costs

Section III.

Two methods to recover administrative costs:

1. CNCS-Fixed 5% Method

- ◆ 5% of the total of CNCS funds expended
- ◆ No documentation supporting allocation is required

2. Federally Approved Indirect Cost Rate Method

- ◆ Requires approved rate from Federal government
- ◆ Approved rate constitutes documentation of costs, including any amount payable by CNCS

Budgeting Tips

- ◆ Does the budget meets CNCS cost guidelines?
 - Full-time living allowance: \$12,530 - \$25,060 per member
 - Maximum Cost per MSY: NTE \$13,730
 - Meets minimum match requirements through acceptable sources
 - Includes required costs, i.e. CNCS-sponsored technical assistance, AmeriCorps member gear, criminal history checks
 - Excludes unallowable costs and clearly justifies questionable costs
- ◆ Are there adequate and accurate cost calculations?
- ◆ Are appropriate fringe and indirect cost rates used?
- ◆ Is the budget realistic, reasonable, credible, and aligned with the program goals in the application narrative?



eGrants flags incorrect entries with “warnings” and “error” messages...

- ◆ Budget Rules: Warnings and error messages are established for each Corporation program and can vary based on the needs and controls over that program
- ◆ Warning Messages: You can proceed with the information entered but the message is a warning that you may not be compliant with the application or budget guidelines
- ◆ Error Messages: You cannot proceed with the information until the information entered is edited
- ◆ Contact the National Service Hotline for eGrants technical assistance