



Best Practices in Budget Development

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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 Narratives



- ◆ 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
Program Operating Costs and Member Costs directly attributable to meeting the goals and objectives of the program	General or centralized administrative expenses of organization receiving CNCS financial assistance
<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

D. Supplies

E. Contractual and
Consultant Services

F. 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 meet CNCS cost guidelines?
 - Full-time living allowance
 - Maximum Cost per MSY
 - 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?
- ◆ Do you have documentation for all in-kind match on the budget?



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 -- (800)942-2677

Q & A



Please ask a question, enter a question in the chat box or send a question for follow-up to americorpsgrants@cns.gov

Additional Resources



- See the NOFO page
- <http://www.nationalservice.gov/build-your-capacity/grants/funding-opportunities/2016/americorps-state-and-national-grants-fy-2016>
- [Developing and Managing Your Budget](#)
- [Preparing the Grant Budget for AmeriCorps Programs](#)
- [Frequently Asked Questions](#)