



Best Practices in 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

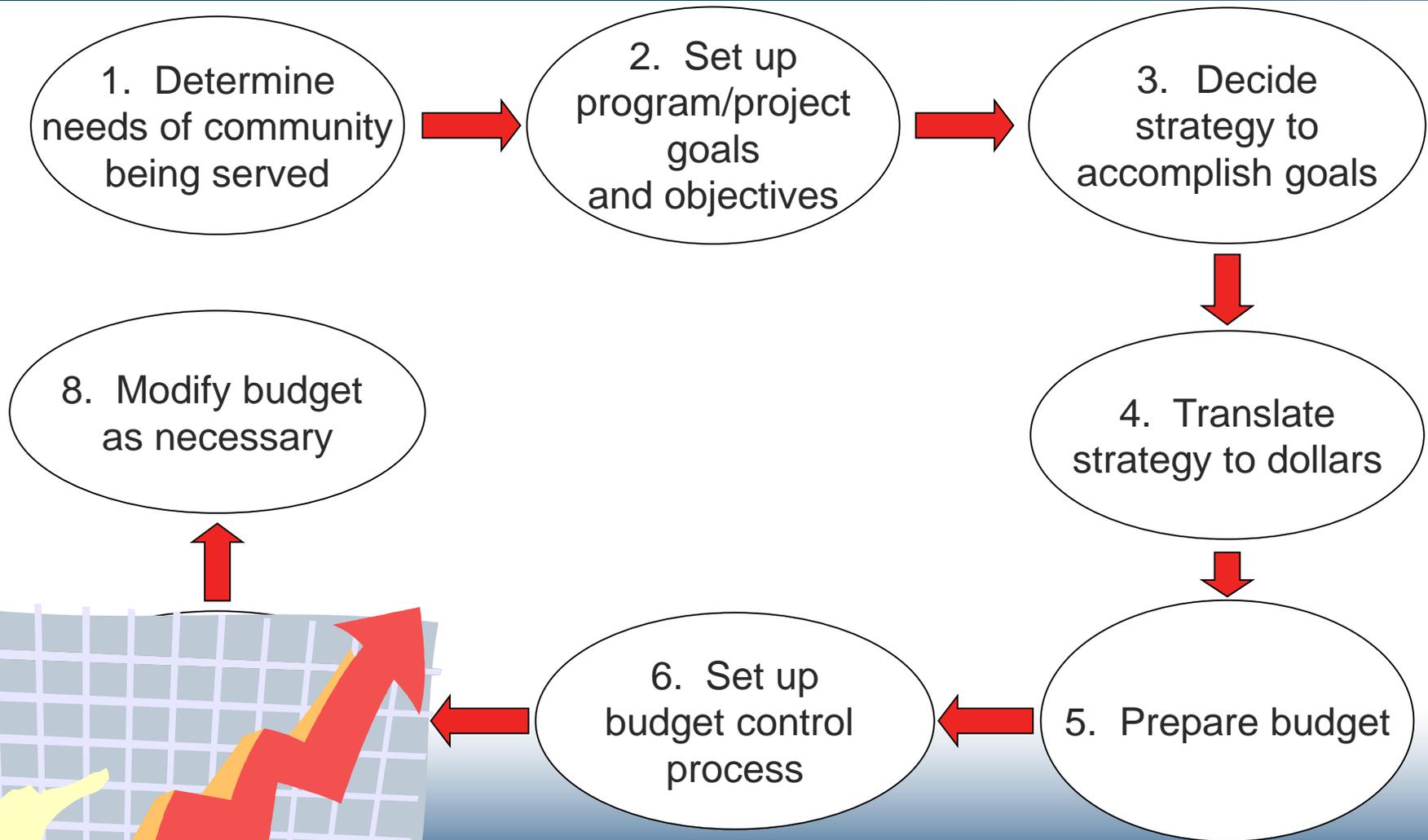
Budget Effectiveness



An effective budget is:

1. Realistic – It reflects expected program revenues and expenses and its capacity to carry out program activities
2. Consistent – The budget is aligned with program goals and objectives
3. Flexible – A project budget must be able to adapt to changing financial and operating circumstances

Budget Effectiveness



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
- ◆ Entertainment and alcohol
- ◆ Expenses not necessary to meet program objectives
- ◆ 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%

*There are no specific match requirements for fixed-amount grants.
Grantees pay all program costs over that provided by CNCS.*

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
Examples: <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	Examples: <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

Section I. Program Operating Costs

A. Personnel Expenses

Position Title Description	Qty	Annual Salary	% Time	Total Amount	CNCS Share	Grantee Share
Totals:						

B. Personnel Fringe Benefits

Purpose Description	Calculation	Total Amount	CNCS Share	Grantee Share
Totals:				

C.1. Staff Travel

Purpose	Calculation	Total Amount	CNCS Share	Grantee Share
Totals:				

C.2. Member Travel

Purpose	Calculation	Total Amount	CNCS Share	Grantee Share
Totals:				

F. Contractual and Consultant Services

Purpose	Calculation	Daily Rate	Total Amount	CNCS Share	Grantee Share
Totals:					

D. Equipment

Item	Purpose/Justification	Total Amount	CNCS Share	Grantee Share
Totals:				

G.1. Staff Training

Purpose	Calculation	Daily Rate	Total Amount	CNCS Share	Grantee Share
Totals:					

G.2. Member Training

Purpose	Calculation	Daily Rate	Total Amount	CNCS Share	Grantee Share
Totals:					

H. Evaluation

Purpose	Calculation	Daily Rate	Total Amount	CNCS Share	Grantee Share
Totals:					

I. Other Program Operating Costs

Purpose	Calculation	Daily Rate	Total Amount	CNCS Share	Grantee Share
Totals:					

Subtotal Section I:

Total Amount	CNCS Share	Grantee Share

Budget Narrative Section I – Sample Entry #1

1. Staff Travel

Purpose	Calculation	Total Amount	CNCS Share	Grantee Share
CNCS-Sponsored Grantee Training	2 staff to DC	\$2,930	\$2,930	\$0
Program site monitoring and oversight	50 trips, average 25 miles round trip @ \$0.56/mile	\$700	\$0	\$700
Regional training conference (PD and PC)	(airfare - \$450, Lodging - \$150/night, 2 nights, per diem - \$75/day, 3 days, ground transportation - \$50) x 2 staff	\$1,954	\$977	\$977
Member Travel as part of workday (between worksites)	Avg 20 mi/week per member, 50 weeks, 38 members, \$0.56/mile (mileage rate determined by state policy)	\$21,280	\$21,280	\$0
CATEGORY Totals		\$26,864	\$25,187	\$1,677

Purpose	Calculation	Total Amount	CNCS Share	Grantee Share
ED and PD travel to CNCS-Sponsored Grantee Training (Washington DC)	(airfare - \$600, Lodging - \$177/night, 3 nights, per diem - \$71/day, 4 days, ground transportation - \$50) x 2 staff	\$2,930	\$2,930	\$0
Program site monitoring and oversight	50 trips, average 25 miles round trip @ \$0.56/mile (mileage rate determined by state policy)	\$700	\$0	\$700
Regional training conference (PD and PC)	(airfare - \$450, Lodging - \$132/night, 2 nights, per diem - \$71/day, 3 days, ground transportation - \$50) x 2 staff	\$1,954	\$977	\$977
CATEGORY Totals		\$5,584	\$3,907	\$1,677

Budget Narrative Section I – Sample Entry #2

E. Supplies

Purpose	Calculation	Total Amount	CNCS Share	Grantee Share
Office Supplies	Avg \$40/month	\$400	\$0	\$400
Computers		\$2,200	\$2,200	\$0
Member Supplies	\$185/member, 38 members	\$7,000	\$3,200	\$3,800
CATEGORY Totals		\$9,600	\$5,400	\$4,200

Purpose	Calculation	Total Amount	CNCS Share	Grantee Share
AmeriCorps member service gear (includes the AmeriCorps Logo)	38 members, 3 shirts @ \$26/shirt	\$2,964	\$2,964	\$0
Office Supplies	Avg \$40/month	\$480	\$0	\$480
Computers and peripherals for new staff	2 @ \$1,100/each	\$2,200	\$2,200	\$0
Member Supplies	Approx \$185/member	\$7,000	\$3,200	\$3,800
CATEGORY Totals		\$12,644	\$8,364	\$4,280

Member Costs

Section II.

A. Living Allowance

B. Member Support Costs

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

Section II. Member Costs						
A. Living Allowance						
Item	# Mftrs	Allowance Rate	# w/o Allowance	Total Amount	CNCS Share	Grantee Share
Full Time (1700 hrs)						
Half Time (900 hrs)						
1st Year of 2-Year Half Time						
2nd Year of 2-Year Half Time						
Reduced Half Time (675 hrs)						
Quarter Time (450 hrs)						
Minimum Time (300 hrs)						
Totals						

B. Member Support Costs						
Purpose	Calculation	Daily Rate	Total Amount	CNCS Share	Grantee Share	
Totals						
Subtotal Section II:						
Subtotal Sections I + II:						

Budget Narrative Section II – Sample Entry

B. Member Support Costs

Purpose	Calculation	Total Amount	CNCS Share	Grantee Share
FICA for Members: total member living allowances of \$637,500	637,500 @ 5%	\$33,675	\$0	\$33,675
Health Care	Estimated 25 of 28 FT members and 8 of 10 MT members, \$520/month	\$197,600	\$0	\$197,600
CATEGORY Totals		\$231,275	\$0	\$231,275

Purpose	Calculation	Total Amount	CNCS Share	Grantee Share
FICA for Members: total member living allowances of \$637,500	637,500 @ 7.65%	\$48,769	\$0	\$48,769
Health Care	Estimated 25 participants (of 28 eligible members), \$520/month	\$156,000	\$0	\$156,000
CATEGORY Totals		\$204,769	\$0	\$204,769

Administrative and Indirect Costs

Section III.

Three 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

3. 10% De Minimis Rate

Budget Narrative Section III – Sample Entries

A. CNCS-fixed Percentage Rate

Item	Calculation	Total Amount	CNCS Share	Grantee Share
Corporation Fixed Amount	Grantee: total program costs of \$1,082,775 x 10% (5% claimed); CNCS: total CNCS costs of \$394,443 x 4.21% (3.6% claimed)	\$68,339	\$14,200	\$54,139
1% Commission share	CNCS: total CNCS costs of \$394,443 x 1.05%	\$4,142	\$4,142	\$0
CATEGORY Totals		\$72,481	\$18,342	\$54,139

				Claimed	Amount	Share	Share
Provisional	Salaries and Fringe	Total program costs of \$1,082,775 x 25% CNCS share: total CNCS costs of \$394,443 x 4.21% (3.6% claimed); 1% retained by Commission (in Section III-A)	38.5%	25%	\$270,694	\$14,200	\$256,494
CATEGORY Totals					\$274,836	\$18,342	\$256,494

Source of Funds



Welcome Tracey

Start Continuation Grant Application

Start Continuation

- Applicant Info
- Application Info
- Narratives
- Logic Model
- Performance Measures
- Program Information
- Documents

Budget Section III. Administrative/IT

Please enter the necessary budget information.

Enter Source of matching funds

Match Description	Amount
DC Public Schools	\$25,160.00

Start Continuation Grant Application

For each source of matching funds, please enter the information below.

Match Description (max 250 chars):

Amount: \$.00

Match Classification:

Match Source:

Source of Funds – Sample Entries

Source of Funds

Match Description	Amount	Type	Source
General funds, secured	\$286,954	Cash	Other
Private foundation, proposed	\$10,125	Cash	Private
Professional services donations, secured	\$6,000	In Kind	Other
State DOE, secured	\$158,256	Cash	State/Local
OJJDP, secured (DOJ approval received)	\$281,135	Cash	Federal
Total Source of Funds	\$742,470		

Budgeting Tips

- ◆ Does the budget meets CNCS cost guidelines?
 - Full-time living allowance: \$12,630 - \$24,930 per member
 - Maximum Cost per MSY: \$13,830 for cost reimbursement
 - Minimum cost share through acceptable sources
 - Includes CNCS-sponsored technical assistance, member gear, criminal history checks, member FICA, FT member healthcare
 - Excludes unallowable costs and explains 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?

Have you...



- Established or renewed your organization's Central Contractor Registration with the System for Award Management (www.sam.gov)?
- Submitted your most recent single audit to the Federal Audit Clearinghouse and/or Form 990 to GuideStar?
- Entered your current Indirect Cost Rate details in eGrants?



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 at **800-942-2677** for eGrants technical assistance