



SERVE OHIO
Ohio Commission on Service and Volunteerism



Finance & Grants Management

see CNCS Financial and Grants Management 101 Basics

www.nationalservice.gov/sites/default/files/resource/101-pp-4-13-12.pdf

- Goal: To provide guidance to New Ohio AmeriCorps sub-grantees and staff on the financial management and compliance requirements of operating an AmeriCorps grant effectively.



Policy, Procedure & Regulation Compliance

- Your organization must abide by a set of requirements and policies once you accept federal money.

Compliance is not optional!

- Consequences for non-compliance vary depending on the nature and severity of the non-compliance. For example, late reporting may result in a loss of funding or failure to document costs may result in having to repay the government or jail time.



Regulations and Requirements You Must Comply With:

- National & Community Service Act of 1990
- Serve America Act (2009)
- Code of Federal Regulations 2 CFR Parts 200 & 2205
- State and Local Regulations
- Grant Terms and Conditions (CNCS and OCSV)
- Certifications and Assurances
- Notice of Grant Award
- Approved Application and Budget
- Notice of Funding Opportunity
- Your Agency Policies and Procedures



CNCS Recent OIG Audit Findings

Uniform Guidance – 2 CFR 200.317-326

Micro Purchases – Small Purchases

Subgrantees have not changed their purchasing policy to include:

- Micro purchases (up to \$3,000) do not require bids/quotes if the price is considered reasonable.
- Small Purchases, i.e., over \$3,000 but less than \$150,000 require quotes or price comparisons from an adequate number of sources (at least two) as defined in organization's policy. Quotes can be informal (e.g., website check).



CNCS Common OIG Audit Findings

For full list of recent and common audit findings, see:

http://www.nationalservice.gov/sites/default/files/resource/recent_oig_audit_findings_09122014.pdf

- FFRs (PERs) do not reconcile to internal accounting records (General Ledger)
- Costs incurred outside of the budget period are charged to the grant
- Organizations do not separate accounting records for each Federal grant



CNCS Common OIG Audit Findings (Continued)

- Inadequate internal controls – Costs not allocated properly, financial reporting incomplete, lack of policies and procedures, separation of duties.
- Member eligibility/National Service Criminal History Checks Compliance (see OCSV Starting Strong Slides)
- Staff time and attendance reporting or records – Staff timesheets not kept (Note: in-kind staff are treated same as regular staff).

CNCS Recent/Common OIG Audit Findings

Staff Time and Attendance

FINDING	CONSEQUENCES	CORRECTIVE ACTION
<p>Grantees/subgrantees claim salaries based on budgeted amounts instead of actual after-the-fact time reported on timesheets.</p> <p>e.g. Grantee budgets for 20% of a staff member, claims 20% of the staff time, but timesheets support only 18%.</p>	<p>Auditors may question the entire claimed salary for all staff. During audit resolution, the grantee has to go back and re-calculate time spent for all staff based on the timesheets. Some disallowances can occur if not supported by the timesheets.</p>	<p>Develop & implement written policies & procedures for your timekeeping system; ensure payroll and/or accounting staff are claiming grants costs based on actual time spent. Implement reconciliation procedures between budgeted & actual time on grant activities to ensure your budgeted estimates are accurate & to know if you need to adjust staff allocations in future budgets. Document the process in writing.</p>

CNCS Recent/Common OIG Audit Findings

Staff Time and Attendance

FINDING	CONSEQUENCES	CORRECTIVE ACTION
<p>Staff allocating time to more than one grant are not keeping timesheets that show actual time spent on each grant.</p> <p>e.g. the timesheet does not allocate time between the two grants or more grants...The timesheet only records total work hours for the period and other hours/sick.</p>	<p>Auditors may question total salary costs because they can't determine how much time was actually spent on the different grants.</p> <p>Disallowances can occur in audit resolution if proper substantiation of time charges cannot be determined.</p>	<p>Develop and implement written procedures for proper timekeeping that ensures actual labor costs/time spent on each grant is recorded and which follow the requirements of the CFR.</p>



Documentation Standards – Personnel Expenses

See 2 CFR 200.430 (i)

Charges for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- Be supported by a system of internal control which provides reasonable assurance the charges are accurate, allowable and properly allocated
- Be incorporated into the official records of the organization
- Reflect the total activity for which the employee is compensated (grant and matching funds)
- Support the distribution of salaries and wages chargeable between this grant and other programs or functions if the employee is less than 100% on the AmeriCorps grant.

NOTE: state and local government agencies see 2 CFR 200.430 (x)(5) for substitute systems; IHEs see 2 CFR 200.430 (h) for additional information.



Documentation of Staff Time

ServeOhio expects programs to use timesheets or Personnel Activity Reports to track staff time. Any alternate mechanism must be approved by OCSV. Timesheets/PARS must:

- Show total hours worked each day; account for total activity of employee, not just time spent on AmeriCorps only (if less than 100%)
- Be signed/dated by the employee and the employee's supervisor and kept on file.
- Be completed after the fact.
- Be based on actual, not budgeted time. Organizations may estimate time on an interim basis, but ultimately must show they are charging appropriate grants based on the time and activity data, as opposed to charging grants based on budgeted time.
- Be prepared at least monthly, and coincide with one or more pay periods.

(For sample forms, see: <http://www.nationalservice.gov/resources/financial-management/staff-timesheets-requirements-and-issues>)



CNCS Recent/Common OIG Audit Findings Match

- Not met,
- undocumented,
- unallowable,
- unreasonable,
- not approved in budget
- uses unauthorized Federal funds

CNCS Recent/Common OIG Audit Findings Match

FINDING	CONSEQUENCES	CORRECTIVE ACTION
<p>Grantee/subgrantee claims match that is excessive or substitutes match for activities not in the approved budget.</p>	<p>Auditors may decide to audit the entire match or question the entire match based on inability to confirm whether the match is reasonable or allocable under the approved budget. Audit resolution requires significant time and effort to confirm all match.</p>	<p>Make sure claimed match is reasonable and included in the budget. Request budget amendments as necessary to include new sources of match not included in the original budget.</p>

CNCS Recent/Common OIG Audit Findings Match

FINDING	CONSEQUENCES	CORRECTIVE ACTION
<p>Subgrantee claims match that is not sufficiently supported. e.g. subgrantee claims match for an activity that doesn't appear in the approved budget or for which there is no supporting documentation, such as time and attendance records and the value of time spent by staff at service locations.</p>	<p>Auditors question the unsupported match. If supporting documentation can't be provided, some disallowance of federal funds may result because match requirements are not met. Audit resolution requires significant time and effort to confirm all match.</p>	<p>Record all claimed match in accounting journals. Create a form on which donors can record in-kind support. Make sure claimed match is included in the budget and appropriate supporting documentation is maintained.</p>



Match: In-kind Contributions

(see <http://www.nationalservice.gov/resources/financial-management/match-documenting-cash-and-kind>)

- Have the same documentation requirements as other expenditures.
- Documentation must be kept to support the value placed on the contribution.
- Documentation for staff hours must be explicitly identified – a timesheet or PAR must be maintained that differentiates between AmeriCorps and non-AmeriCorps time, and track actual hours.



CNCS Recent/Common OIG Audit Findings Member Living Allowance Distribution

(see CNCS AmeriCorps T&C VIII.A.)

- If a member serves 1700 hours but is permitted to conclude a term of service before the originally agreed upon date, the program **may not provide a “lump sum”** payment to the member.
- Similarly, if a member enrolls after the program’s start date, the program must provide regular living allowance payments from the member’s start date and **may not increase the member’s living allowance incremental payment** or provide a lump sum to “make up” any missed payments.



Distribution of Member Stipend

- A living allowance is not a wage
- Not paid on an hourly basis
- Paid in regular increments, such as weekly, bi-weekly, monthly
- Payments should not fluctuate based on the member start date or the number of hours served in a particular time period
- Payments can only be held if member is suspended
- **Payments must cease when a member concludes a term of service.**

Note: Sub-grantee must keep time and attendance records (in OnCorps) on all AmeriCorps members in order to document their eligibility for in-service and post-service benefits (unless alternate timekeeping system has been approved).



Member Living Allowance Distribution Example

Set up Stipend Distribution Increments
(over length of service)

2016-17 Member Living Allowance (FT)
(member term of service is 12 months/paid
biweekly over 26 pays):

1 member x 26 pays @ \$481.92/pay for a total **up to**
\$12,530

FT Member Stipend Payment Distribution – EXAMPLE

Program X has a 12-month tutoring program beginning 8/1/16 and ending 7/31/17. The corps consists of all FT members. Member stipend payments are set up and distributed over the length of the program in equal increments across 26 pays.

Program X enrolls 15 of its 20 members on 8/1/16. If they end on-time as scheduled, they will receive their entire stipend.

FT members may be enrolled up to 45 days after the program start date. Program X enrolls the other 5 members on 9/1/16. Their stipend payments will be set up in the same equal increments as the other full-time members who started 8/1/16. If they are allowed to serve *after* the program end date (for a full 12 months), they may receive the entire stipend. If they cannot serve after the program end date, they will receive the amount of stipend for the period they serve (i.e., 11/12th of stipend vs. 12/12th as they started 1 month after the program start date).



HT Member Stipend Payment Distribution – EXAMPLE

Half-time members starting at the beginning of the program will have their stipend payments distributed evenly over 12 months. If they start after, see above example for distribution.

Half-time members may start up to 6 months after the program start date and serve in a full-time capacity (with prior approval from OCSV). If so, their stipend will be divided evenly over the 6-month period.

In all cases the member contract will be written to reflect members actual start/end dates and the distribution amount of the stipend payment set up accordingly in the accounting system.



Member Living Allowance Distribution

- **Under no circumstance is the subgrantee allowed to recalculate the member stipend distribution amount for members starting late or ending early**
- **Recalculating the distribution amount for members starting late to “catch them up” to the total paid to date is not allowed**
- **Recalculating the distribution amount “to payout” the remaining stipend for a member allowed to exit early is not allowed**



Member Living Allowance Distribution OCSV Guidance

Establish a written policy that is reasonable and followed consistently:

- Outlining your practice of distributing the living allowance for FT and less than FT members, including HT members serving in a FT capacity; and
- For members who come on late or exit early. For example, if members are paid on a monthly basis and a member comes on board within the first two weeks of the month, you might set policy that gives them the entire living allowance. If they start service later than that, you could prorate the amount based on the number of days (not hours) in the month they will serve. The same would hold true for the end of service. If they leave within the first two weeks of the month, their living allowance is based on the number of days in the month they served. If they serve over the 2-week cut-off, they would get the full living allowance. You can establish different cut-off points as long as they are reasonable, documented in policy, and followed consistently.



Solid Grant/Financial Management per CFR

- All the required financial systems, policies, procedures, and separation of duties are in place and followed.
- Consistent checks and balances are established, written and followed.



Accounting System Requirements

- Be able to document and verify all costs – grant and match, cash and in-kind.
- Record in-kind as revenue and expense.
- Account for each award/grant separately.
- Record financial transactions by budget line item and program year.
- Distinguish between federal and non-federal funds.
- Distinguish between direct and indirect costs.
- Provide management with financial reports at both the summary or detailed levels that will compare budget to actual amounts.
- Correlate financial reports submitted to OCSV directly to accounting information and supporting documents.



Organization Accounting Requirements Internal Controls

Common Audit Findings: Inadequate internal controls - Costs not allocated properly, financial reporting incomplete, lack of policies and procedures, separation of duties.

Remedy:

- Segregate financial responsibilities of staff.
- Review and reconcile budget to actual expenditures for accuracy prior to (on-time) report submission.
- Keep a clear audit trail that properly documents and records expenses.



Organization Accounting Requirements Internal Controls

Remedy (cont.):

- Retain thorough/complete documentation that supports all expenditures and in-kind matching funds. NOTE: Ohio Subgrantees are not allowed to subgrant funds. If your partners are contributing in-kind towards your match, e.g., office space, staff or site supervisory time, in addition to retaining appropriate documentation for the distribution of funds, you must also **document how you are monitoring them** to ensure they comply with federal guidelines.



Organization Accounting Requirements Internal Controls

- Retain documentation that support members and staff time spent on the grant (and other activities if less than 100% AmeriCorps). Prepare all financial reports with information from the accounting system.
- Adequate review process for financial reports and budgets.
- Adequate cash management procedures.
- Monthly bank reconciliations.
- A system to follow-upon identified problems to ensure resolution.



Audit Requirements (OSTC 5.8-5.8.3)

Audit Determination Form – OCSV will use form to assess and monitor compliance with audit requirements

Single Audit – subgrantees expending \$750,000 or more in federal funds

- Submit audit to Federal Audit Clearinghouse (FAC) within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period

Elective Audit – subgrantees expending less than \$750,000 may submit annual audit via email or regular mail



Financial Monitoring Purpose

- To ensure compliance with all grant rules, regulations and requirements
- Safeguard Federal funds against fraud, waste and abuse
- Help identify actual and potential issues
- Identify TA and training needs
- Ensure follow-up on issues and corrective actions



Financial Monitoring Strategy

- ✓ Risk Based Assessment (Pre/Post Award)
- ✓ Financial Management Survey
- ✓ Periodic Expense Review (PER) – Quarterly
- ✓ Audits
 - On-Site Visit (all new operational; continuing based on Risk Assessment)
 - Desk Review
 - Transaction Detail Review (Planning Grants and continuing programs not receiving an on-site visit)



Financial On-Site Monitoring Areas to Review

- **Written financial accounting policies and management procedures**
- **Financial systems**
- **Grant and Match expenditures**
- **Matching in-kind contributions**
- **Financial reports**
- **PER reconciliation to GL**
- **Internal controls**
- **Staff time keeping**
- **Member stipend distribution**



OnCorps online reporting system used for all financial reporting, unless otherwise noted

- OCSV gives Sub-grantee Program Director access
- Program Director assigns access for sub-grantee staff, members, host sites, etc. (use your own access)
- Submit Approved eGrants Budget
- Submit Periodic Expense Reports (PERs)
- Submit any Budget Modification Request(s)
- Submit final Aggregate Financial Report (AFR)



OnCorps online reporting system used for all financial reporting, unless otherwise noted

Set Notifications to receive emails or home page notifications from OCSV when financial reports are approved.

- 1) Login, then on the menu bar, go to
- 2) Tools
- 3) Administrative Tools
- 4) Notifications On/Off



Financial Reporting Requirements OSTC-6

Basic “rules” for all Reports:

Submit in OnCorps and on-time

*Late reports are recorded for consideration in
grant renewal process

1st document due: Approved eGrants Budget
(submitted within 15 days of receipt of NOGA)



Periodic Expense Report (PER)

- Shows federal and match expenditures according to budget category, by line item
- Shows match percentage being met on subgrantee spending; doesn't show match on OCSV administrative share
- Required Quarterly (see AmeriCorps Reporting Periods & Due Dates for schedule) **and** in conjunction with a Request for Funds
- First Report due in OnCorps 10/15/2016 for the period ending 9/30/2016

Notes

- ✓ Submit one (1) PER at the due Date - do not submit prior month PERs on the date the required PER is due. This delays the approval process of the required reports for the entire portfolio.
- ✓ When selecting the reporting period, select the end date of the reporting period, not the month in which the report is submitted.
- ✓ Don't include OCSV admin; we will deduct from award at end of grant
- ✓ Extension Requests must be submitted two days in advance of due date (email)



Financial Reporting Periods & Due Dates Periodic Expense Report (PER) Grant Year: 2016-2017

Reporting Period	Due Date
Grant Start – 9/30/16	10/15/2016
10/1/2016 – 12/31/2016	1/15/2017
1/1/2017 – 3/31/2017	4/15/2017
4/1/2017 – 6/30/2017	7/15/2017
7/1/2017 – 9/30/2017	10/15/2017
Use of Other Federal Funds	October*

***Subgrantees submit separate report (outside of OnCorps) on use of other federal funds (see OSTC-6.4.5)**



Budget Changes (OSTC 5.4)

- Submit Budget Modification Request for changes exceeding 10% of total budget (federal and match shares)
- Changes under 10% do not require budget modification; original budget lines may be over/under spent as necessary (include note in OnCorps Comments Section)
EXCEPTION: if adding costs to a budget category that had \$0 budgeted initially, a budget modification is required regardless of the amount. For competitive funded programs, changes must be approved by CNCS via grant amendment.



Annual Grant Reconciliation

- Ohio AmeriCorps grants are reconciled yearly
- Annual Reconciliation takes place last quarter of grant
- In addition to the final PER, an Aggregate Financial Report is required, which must be signed by an official with legal authority to bind the organization (see 2 CFR 200.415)
- Any unused grant funds revert to OCSV



Annual Grant Reconciliation

- Final subgrantee match **must** meet statutory match requirement and voluntary cost share, as stated in the Notice of Grant Award, **and** compliance on OCSV's administrative share.
- Sub-Grantees are required to ensure their match is sufficient to cover not only their own spending as reported in OnCorps, but also the additional federal share charged to the grant by ServeOhio. To do this, subgrantees must enter OnCorps spending totals in the Subgrant Match Calculator (see www.serveohio.org Resources for Program AmeriCorps Directors).



No Cost Member Extension

- See NOGA, Article 2.
- Subgrantee will request a no-cost member extension for members who need to complete their term of service after the period of performance end (member stipend & benefits only)
- Request 30 days prior to original end date



Request for Funds (RFF)

- ✓ Contains “Financial Snapshot”
- ✓ May submit monthly (every 30 days); if so, in conjunction w/PER
- ✓ May draw funds one month in advance, as allowed by OMB but at least quarterly
- ✓ Use on-line RFF form on our website at serveohio.org; submit via regular mail (no fax or email)
 - *Typed, accurate and mathematically correct (ties to PER)
 - *Include an original signature/date



**AmeriCorps Sub-Grant Program
REQUEST FOR FUNDS**



Instructions: Use this form to request payment of funds from your AmeriCorps formula or competitive sub -grant. You may draw funds equal to the year-to-date federal expenditures (Total CNCS YTD) reported on your most recent monthly report in OnCorps, plus an estimate of spending for the present month. The amount shown on Line 4a below must agree with reported expenditures in OnCorps. Enter data and tab between fields; shaded fields will self-calculate.

Grant Award# Amount of This Request

Project Title

Sub-Grantee Name and Address:
Ohio Commission on Service and Volunteerism
30 East Broad Street, Suite 2487
Columbus, OH 43215

Program Year: 2016-17
 2015-16

Yes No

Final Request this Program Year?

Reflects OnCorps Reports as of
Date



Financial Snapshot	[a]	[b]	[c]	[d]
1d. Amount of Grant				\$ 274,600.00
2c. Prior Requests for Funds			\$ -	
3d. Grant Balance Available (1d - 2c)				\$ 274,600.00
4a. OnCorps Expenditures-Total CNCS YTD	\$ 20,000.00			
4b. Projected Outlays-Current Month				
4c. Total Outlays this Report (4a + 4b)			\$ 20,000.00	
5c. Projected Cash Position (2c - 4c)			\$ (20,000.00)	
6d. Amount This Request				\$ 20,000.00
7d. Grant Balance Remaining (3d - 6d)				\$ 254,600.00

Certification (Must be signed by an officer of the Sub-Grantee or its fiscal agent)

I certify that the estimates and amounts shown above are accurate and do not exceed the grant award. All grant expenditures have been recorded and reported according to generally accepted accounting principles, OMB Circulars, and the grant provisions. I understand that federal cash requested on this form must be used only to support the AmeriCorps project, and that federal cash management rules forbid requesting cash in excess of what can be used within a reasonable period, which for this project is defined as thirty (30) days.

Signature

Date

Typed or Printed Name and Title

Phone

Commission Approval

Date



Financial Snapshot	[a]	[b]	[c]	[d]
1d. Amount of Grant				\$ 274,600.00
2c. Prior Requests for Funds			\$ 20,000.00	
3d. Grant Balance Available (1d - 2c)				\$ 254,600.00
4a. OnCorps Expenditures-Total CNCS YTD	\$ 25,000.00			
4b. Projected Outlays-Current Month		\$ 25,000.00		
4c. Total Outlays this Report (4a + 4b)			\$ 50,000.00	
5c. Projected Cash Position (2c - 4c)			\$ (30,000.00)	
6d. Amount This Request				\$ 30,000.00
7d. Grant Balance Remaining (3d - 6d)				\$ 224,600.00

Certification (Must be signed by an officer of the Sub-Grantee or its fiscal agent)

I certify that the estimates and amounts shown above are accurate and do not exceed the grant award. All grant expenditures have been recorded and reported according to generally accepted accounting principles, OMB Circulars, and the grant provisions. I understand that federal cash requested on this form must be used only to support the AmeriCorps project, and that federal cash management rules forbid requesting cash in excess of what can be used within a reasonable period, which for this project is defined as thirty (30) days.

Signature

Date

Typed or Printed Name and Title

Phone

Commission Approval

Date



***OCSV Sub-Grantee Payment Process**

Sub-grantee: Submits PER in OnCorps and Request for Funds (RFF) form to OCSV via regular mail (no email or fax submissions)

AmeriCorps Grants Officer: Reviews PER and Request, Approves payment, Updates internal spreadsheet, Enters request (creates voucher) in state accounting system, Requests funds from HHS, Creates deposit in state accounting

Director, Finance & Operations: Reviews voucher, Verifies encumbered funds for grants, Authorizes payment, Requests money from CNCS through electronic draw down

State Budget/Management Office: Processes payment, EFT direct deposited to appropriate bank account, For information on How to Access Your Payment, see: <http://www.serveohio.org/professional-development/program-director-resources/grants-and-financial-management/>

***The entire process, from receipt of sub-grantee request to issuance of EFT generally takes four weeks or less.**



Grants Financial Management Where To Get More Information

- ❑ Corporation for National and Community Service Regulations –
<http://www.nationalservice.gov/about/open-government-initiative/policies-and-procedures>
- ❑ CNCS 2016 General Grant and Cooperative Agreement Terms and Conditions –
<http://www.nationalservice.gov/resources/terms-and-conditions-cnccs-grants>
- ❑ CNCS 2016 AmeriCorps Terms and Conditions –
<http://www.nationalservice.gov/resources/terms-and-conditions-cnccs-grants>
- ❑ Ohio AmeriCorps Supplementary Terms & Conditions 2016-2017 – www.serveohio.org



Grants Financial Management

Where To Get More Information

OMB Uniform Guidance at 2 CFR 200 and 2205

Federal standards to ensure grants are managed properly and funds spent in accordance with applicable laws and regulations

- **2 CFR Part 200** – http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
- **2 CFR Part 2205** – <http://www.ecfr.gov/cgi-bin/text-idx?SID=f7425ef67312ab84da9e76ed5d79dff7&node=pt2.1.2205&rgn=div5>
- **CNCS National Service Uniform Guidance Resources**
<http://www.nationalservice.gov/resources/uniform-guidance>
- **Uniform Guidance FAQs** – <https://cfo.gov/wp-content/uploads/2014/08/2014-08-29-Frequently-Asked-Questions.pdf>
- **Uniform Guidance Crosswalk from Final Guidance to Existing Guidance**
<https://www.whitehouse.gov/sites/default/files/omb/fedreg/2013/uniform-guidance-crosswalk-to-predominate-source-existing-guidance.pdf>



Grants Financial Management Where To Get More Information

- **Learning Pathways for Program Start-Up**
http://s3.amazonaws.com/resource_center_video/taag/program-start-up/index.html
- **CNCS National Service Knowledge Network AmeriCorps Resources**
<http://www.nationalservice.gov/resources/ameriCorps>
- **Financial and Grants Management Institute, April 24-25, 2012**
<http://www.nationalservice.gov/resources/financial-management/2012-financial-and-grants-management-institute>
- **CNCS Financial Management Resources**
<http://www.nationalservice.gov/resources/financial-management>



Grants Financial Management Where To Get More Information

- ❑ AmeriCorps Fiscal Manual, ServeOhio, Ohio's Commission on Service and Volunteerism, Resources for Program Directors www.serveohio.org

- ❑ Future Trainings

- ❑ OCSV AmeriCorps Grants Officer – Lisa Tope
lisa.tope@serveohio.gov, 614.728.2920