

KEY FINANCIAL CONCEPTS



**FINANCE TRAINING
TALLAHASSEE, FLORIDA**

SEPTEMBER 12-13, 2016

SESSION OBJECTIVES



- Understand your program budget
- How, when and where to submit the monthly PER and supporting documentation
- Understand the process change for submitting Budget Revision Requests
- Common Findings and lessons learned
- Understand IPERA and your responsibility

KEYS TO CONTRACT COMPLIANCE



- **READ** the entire Standard Contract Agreement
- Follow all OMB and Code of Federal Regulations (CFR) Grant Guidelines
- Pay Attention to Due Dates
- Meet Match Requirements
- Exhibits are part of the standard contract agreement
- Read AmeriCorps Provisions

IMPORTANT DUE DATES



- **Items due by 15th of each month:**
 - Monthly Invoices and Supporting Documentation
 - Monthly Invoices and Supporting Documentation must be submitted via email to PER@volunteerflorida.org
- **Items due 45 days after contract period ends:**
 - Final Invoice and supporting documentation

WHY COMPLY?



- Consequences of not adhering to regulations, OMBs, etc.
 - Audit Findings
 - Payback for unallowable costs
- Consequences of Late Invoices
 - Delay of reimbursement
 - Right to payment forfeited
- Consequences of Incorrect Invoices
 - Delay of reimbursement

ALLOWABLE

WHAT DOES IT MEAN?



To be **allowable** under a grants, costs must:

- Be included in your **approved budget** in eGrants
- Be **reasonable and allocable** for the performance of the award
- Conform to grant **award limitations** or **cost principles**
- Be **consistent with policies and procedures** that apply to both federally-financed and other activities of the organization
- Be given **consistent treatment** within the entire organization
- Be in accordance with Generally Accepted Accounting Principles (GAAP)
- **Not be included as a cost** or used to meet cost-sharing or matching requirements **of any other federally-financed program**
- BE ADEQUATELY **DOCUMENTED**

REASONABLE

WHAT DOES IT MEAN?



A cost is **reasonable** if:

- It does not exceed what a prudent person would do under the circumstances at the time the decision was made to incur the cost
- Consideration should be given to:
 - ✦ Whether the cost is ordinary and necessary for the operations of the organization
 - ✦ The restraints or requirements imposed by generally accepted sound business practices
 - ✦ Whether the individuals concerned acted with prudence
 - ✦ Significant deviations from established practices which may unjustifiably increase the award costs

EXAMPLES OF ALLOWABLE COSTS



- Office Supplies
- Member Service Gear
- Travel Reimbursement (following VF travel guidelines)
- Background Checks
- Rent & Utilities
- Meeting Space Rental Fees
- Training Registration Fees
- Contracted Training (not to exceed \$750 per day)
- Employee Training
- Member Living Allowances
- Member Support Costs

TOP 5 UNALLOWABLE COSTS



- **Food and Entertainment**
 - Snacks
 - Cutlery
- **Staff Time & Benefits without proper documentation of time and effort allocated to the grant**
- **Not Following Travel Reimbursement Guidelines**
 - Exceeding Per Diem Rates
 - Charging for gas and mileage
- **Lobbying**
- **Gift Cards & Incentives**

FOOD GUIDELINES



- Food and beverage may only be charged to AmeriCorps grant when used for training and the meeting/training must meet the following criteria:
 - Must be a minimum of 6 hours in order to request reimbursement for any meal.
 - Must be a dissemination of knowledge.
 - Must be reasonable and necessary.
 - Must be a necessity to keep attendees in the training for the length of time and not merely just to provide food.
 - Snacks are **NOT allowable**.

FOOD REIMBURSEMENT GUIDELINES



- Following supporting documentation is **REQUIRED** in order for training meals to be reimbursed:
 - Sign-in sheet that identifies all participants, including staff and trainers that were in attendance.
 - Detailed agenda that outlines the time of meeting, the sessions and activities that were covered.
 - Maximum meal allowances:
 - ✦ Breakfast – cannot exceed \$6 per person
 - ✦ Lunch – cannot exceed \$11 per person
 - ✦ Dinner – cannot exceed \$19 per person

STAFF AND MEMBER TRAVEL



- An agency travel reimbursement request or form must be provided for reimbursements, signed and dated by traveler and supervisor.
- Travel form must indicate purpose of travel, dates and times of arrival and departure of travel, and destination.
- Maximum mileage reimbursement rate is \$0.445 per mile.
- Meals cannot exceed state of Florida per diem rates.
- Overnight travel is required to claim meals.
- If the meal is provided at the training, the traveler cannot claim that meal for reimbursement.

MATCH REQUIREMENTS



- Meeting Match stated in the grant application is **REQUIRED**.
 - For example, if 24% match is the minimum but the organization agrees to doing 35% match, the organization is held to the 35% match requirement.
- Failure to meet match requirements could result in a proportional reduction in CNCS award funds.
 - Final invoice will not be paid until match requirements are met.
- Contact VF Finance Staff if you feel you will not meet the match requirement.

INVOICE PROCESSING STEPS



- Once VF finance staff contacts program with requested invoice revisions or clarification, the program has **5 calendar days** to submit revisions back to VF office.
- If revisions are not received within the **5 calendar days**, VF will revise the invoice based on costs that they deem allowable based on the supporting documentation and issue payment for the allowable costs.
- If there is an expense that you believe we should have additional justification to explain purchase, please include in the invoice submission.
- The more documentation provided the better.

AMERICORPS BUDGET ANALYSIS



- Reviews budget to actual expenses regularly to avoid cost overruns and shortfalls.
 - Joint review by both program and fiscal staff to ensure maximum efficiency.
- Identification of **expenditures not budgeted** to ensure they can be claimed
- Identification of **costs that need approval before they are incurred.**
- Compare ACTUAL grantee/match share reported monthly to BUDGETED grantee/match share in budget.
 - Must meet match requirements

BUDGET REVISIONS



- Exhibit V: Budget Revision Request Form.
- Grantees must complete the Lead Agency, Program Name and Date Revision Submitted.
- 1st Budget Revision Request: Original Budget section is completed utilizing the approved budget in eGrants.
- All subsequent requests will utilize the “Revised Budget” from the previously approved Budget Revision Request.
- Any increase/decrease in the Total Budget (CNCS share or Grantee share) will require a Contract Amendment be executed.
- Grantees must sign and date the Budget Revision Request Form prior to submitting. Please note an electronic signature is acceptable.

BUDGET REVISION PROCESS CHANGES



- Budget Revision Requests and justification of request **MUST** be submitted to your program's VF Program Manager for review and approval.
- Grantees may submit a **maximum of four (4)** Budget Revision Requests within the contract year.
- Budget Revision Requests must be received by your program's VF Program Manager by April 1st and approved prior to the completion of the third quarter of the contract year.
- Grantees must respond to any request for clarification within 5 business days or the Budget Revision Request will be voided.

SINGLE AUDIT ACT REQUIREMENTS (A-133)



What's Current:

- The threshold for A-133 audits is \$750,000. This applies to the grantee's fiscal year that begins after December 26, 2014.

Example:

- Fiscal year is July 1 – June 30. Threshold begins for fiscal year July 1, 2015 – June 30, 2016.

TIME AND ACTIVITY



Nonprofit organizations must have a time-keeping system in place that -

- Tracks time and activity on an after-the-fact basis that accounts for total time.
- Is signed by employee **or** supervisor.
- Is prepared at least monthly and coincides with one or more pay periods.

Time and activity may be supported by -

- A system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.
- A system that is incorporated into the official records of the grantee.

Requirements for member time keeping remain the same.

IPEERA



IPEERA is the Improper Payment Elimination and Recovery Act. Under IPEERA, CNCS must determine if programs are susceptible to significant levels of improper payments. CNCS is assessing the level of improper payments by testing a randomly selected sample of individual payments charged to CNCS funding by grantees (or sub-recipients, where applicable)

● Process

- CNCS requests Volunteer Florida's general ledgers that correspond to a given point in time (for example, August 1, 2015 through December 31, 2015)
- CNCS will then randomly select line item samples from the general ledger
- Volunteer Florida will submit required documents to CNCS
- CNCS will then make another request that will sample one person, member, expense and VF must provide that documentation within three (3) days.
- How does this affect you?

WHAT'S ON YOUR NOTICE OF GRANT AWARD?



Review your NGA in eGrants as soon as you get it and make sure all these elements are correct.

- Legal Applicant
- Program and Budget start and end dates
- Award Description
- Funding amounts
- Aggregate member data by type
- Link to Provisions/Terms and Conditions
- Special Conditions

RESOURCES



- Key Concepts of Financial and Grants Management (Required Online Course)
 - www.nationalservice.org/online-courses

- CNCS/AmeriCorps Resource Center
 - <http://www.nationalserviceresources.org/>



Questions?

VOLUNTEER FLORIDA FINANCE STAFF



Richard Swartz, Chief Financial Officer

(850) 414-7400 ext. 115

Debbie Lupton, Financial Analyst

(850) 414-7400 ext. 114

Tracie Lambright, Financial Analyst

(850) 414-7400 ext. 116