KEY FINANCIAL CONCEPTS

VOLUNTEER FLORIDA FINANCE TRAINING
TALLAHASSEE, FLORIDA

OCTOBER 1-3, 2018

SESSION OBJECTIVES

- Understand your Grant & Grant Requirements
- Know how, when and where to submit the monthly PER and what supporting documentation is required
- Understand the process for submitting a Budget Revision Request
- Understand IPERIA (Improper Payments Elimination and Recovery Improvement Act) and your responsibility
- Common Audit Findings and Lessons Learned
KEYS TO CONTRACT COMPLIANCE

- **READ** the entire AmeriCorps Contract Agreement
- Follow all OMB and Code of Federal Regulations (CFR) Grant Guidelines
- Pay Attention to Due Dates & Required Reporting
- Meet the Required Match Requirements
- Complete All Exhibits that are Part of the Standard Contract Agreement
- **READ** the AmeriCorps Contract Provisions

WHY COMPLY?

- Consequences of not adhering to regulations, OMBs, etc.
  - Audit Findings
  - Payback for Unallowable Costs
  - Federal Debt Notice Due to Non-Compliance with Required Background Checks
- Consequences of Late Invoices
  - Delay of Reimbursement
  - Forfeiture of Reimbursement
- Consequences of Incorrect Invoices
  - Delay of reimbursement
WHAT'S ON YOUR NOTICE OF GRANT AWARD?

Review your Notice of Grant Award (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

REQUIRED ONLINE TRAININGS

- Who is required to complete the online trainings:
  - The AmeriCorps Program Director, AND
  - The Fiscal Contact identified in the Executed Contract
REQUIRED ONLINE TRAININGS

• Fiscal Online Training
  o https://cns0linecourses.etmos.com/self-signup
  o Print certificate

• National Criminal History Checks Online Training
  o https://cns0linecourses.etmos.com/self-signup
  o Print certificate

• Certifications of Completion of the online trainings should have been submitted by August 31st

ALLOWABLE
WHAT DOES IT MEAN?

To be allowable under a grant, 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!!

• REMEMBER: If it's not documented IT DIDN'T HAPPEN!!
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 individual(s) 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
- Employee Training
- Member Living Allowances
- Member Support Costs
Top 5 Unallowable Costs

- Food and Entertainment
  - Snacks, Candy
  - Water – prior approval required based on event
  - Cutlery, tablecloths, balloons, decorations, flowers, etc.
- 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, Fundraising
- Gift Cards & Incentives

Food Guidelines

- Food and beverage may only be charged to the AmeriCorps grant when used for Training and the Training must meet All the following criteria:
  - Must be a minimum of 6 hours in order to request reimbursement for lunch.
  - Must be an 8 hour training AND begin at 8:00 A.M. in order to request reimbursement for both breakfast and lunch.
  - Must be a dissemination of knowledge. A Detailed Agenda required.
  - Must be reasonable and necessary for the grant.
  - Must be a necessity to keep attendees in the training for the length of time and not merely just to provide food.
  - Snacks and Candy are NOT allowable.
FOOD REIMBURSEMENT GUIDELINES

- The 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 training, the sessions and activities that were covered.
  - All receipts for food and beverage must be included.
  - Maximum meal allowances:
    - Breakfast – cannot exceed $6 per person
    - Lunch – cannot exceed $11 per person
    - Dinner – cannot exceed $19 per person

TIME AND ACTIVITY

Nonprofit organizations must have a time-keeping system in place that:
- Tracks time and activity that accounts for the total time for the actual pay period;
- Is signed by the employee **AND** supervisor;
- Includes the pay period for each pay date

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 remains the same.
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.

STAFF AND MEMBER TRAVEL

Time Frames for Claiming Meals:

To be reimbursed for Breakfast: Travel must begin before 6:00 a.m. and go beyond 8:00 a.m.

To be reimbursed for Lunch: Travel must begin before 12:00 p.m. and go beyond 2:00 p.m.

To be reimbursed for Dinner: Travel must begin before 6:00 p.m. and go beyond 8:00 p.m.
MATCH REQUIREMENTS

- Match can be cash or in-kind
- Meeting Match stated in the grant application is REQUIRED.
  - For example, if 24% match is the minimum but the organization agrees to a 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 Program Manager and VF Finance Staff if you feel you will not meet the match requirement.

IMPORTANT DUE DATES

- Due by 15th of each month:
  - Monthly Invoices (PER) and All Supporting Documentation
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  - Must be submitted via email to PER@volunteerflorida.org

- Items due by September 14, 2019:
  - All Final Invoices (not the July invoice) and All Supporting Documentation

**NOTE: If either of these dates fall on a weekend or a holiday, then the due date is extended until the next business day.**
**INVOICE PROCESSING STEPS**

- Once VF finance staff contacts program with requested invoice revisions or clarification, the program has 5 Business Days to submit revisions back to VF office.
- If revisions are not received within the 5 Business 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 VF should have additional justification to explain the purchase, please include the justification in the invoice submission. In this situation the more documentation provided the better.

**PER REQUIRED DOCUMENTATION**

*Section 1.A: Personnel Expenses*

Supporting Documentation Required:

- Timesheets – signed by employee & supervisor and clearly note AmeriCorps hours
  - Must match pay period dates
- Payroll Registers or copies of Salary Warrants
  - Must include pay date and pay period dates
PER REQUIRED DOCUMENTATION

Section I.B.: Personnel Fringe Benefits
Supporting Documentation Required:

- Payroll registers or copies of Salary Warrants showing FICA withholdings
- Invoice(s) for health care and other benefits with complete listing of employees and premiums paid for each
- Proof of Payment – Copies of checks
- Credit card purchases – copy of credit card statement and proof of payment for the credit card must also be provided.

PER REQUIRED DOCUMENTATION

Section I.C: Travel
Supporting Documentation Required:

- Travel reimbursement voucher signed by employee and supervisor
- Mileage print-out or agency approved map mileage chart
- Proof of payment/reimbursement – Copies of checks
PER REQUIRED DOCUMENTATION

Section I.D.: Equipment
Supporting Documentation Required:

- Invoice(s) – must clearly identify all purchases (must include detailed receipts)
- Proof of payment – Copies of checks
- Credit card purchases – copy of credit card statement and proof of payment for the credit card must also be provided.

PER REQUIRED DOCUMENTATION

Section I.E.: Supplies
Supporting Documentation Required:

- Invoice(s) – must clearly identify all purchases (detailed receipts)
- Proof of payment – Copies of checks
- Credit card purchases – copy of credit card statement and proof of payment for the credit card must also be provided.
PER REQUIRED DOCUMENTATION

Section I.F.: Contractual and Consultant Services
Supporting Documentation Required:

• Copy of contract identifying services and objectives
• Invoice(s) – must clearly identify all purchases (detailed receipts)
• Proof of payment – Copies of checks
• Credit card purchases – copy of credit card statement and proof of payment for the credit card must also be provided.

PER REQUIRED DOCUMENTATION

Section I.G.: Training (Staff or Member)
Supporting Documentation Required:

• Invoice(s) from Trainer – must clearly identify training dates & type of training provided
• Training Agendas
• Sign-In/Sign-Out Sheets – must include time in/out
• Proof of payment – Copies of checks
• Credit card purchases – copy of credit card statement and proof of payment for the credit card must also be provided.
• Invoice for food/meals provided (must include detailed receipts)
PER REQUIRED DOCUMENTATION

Section I.H.: Evaluation
Supporting Documentation Required:

- Invoice(s) – must clearly identify dates of evaluation and type of evaluation performed
- Proof of payment – Copies of checks
- Credit card purchases – copy of credit card statement and proof of payment for the credit card must also be provided.

PER REQUIRED DOCUMENTATION

Section I.I.: Other Program Operating Costs
Supporting Documentation Required:

- Rent – copy of lease agreement which clearly identifies service location, rental agreement period and monthly/annual cost with each invoice
- All Invoice(s)/Billing Statements – must clearly identify the type of service, service period and service location.
- Proof of payment – Copies of checks
- Credit card purchases – copy of credit card statement and proof of payment for the credit card must also be provided.
PER REQUIRED DOCUMENTATION

Section II.A.: Member Costs – Living Allowances
Supporting Documentation Required:

- Member Timesheets – must be signed by Member, Site Supervisor, and the Program Directors
- Member Service Hour Report
- Payroll Registers or copies of Salary Warrants

PER REQUIRED DOCUMENTATION

Section II.B.: Member Support Costs
Supporting Documentation Required:

- Payroll Registers or Salary Warrants showing FICA withholding
- Invoice(s) for Healthcare and W/C with complete listing of members and premiums paid for each
- Proof of payment – Copies of checks
PER REQUIRED DOCUMENTATION

- Section III.A: Administrative Costs – Corporation Fixed

- *Corporation Fixed CNCS:
  Total of Section I & Section II x .0526 x .60
- *Corporation Fixed Grantee:
  Totals of both Section I & Section II of CNCS and Grantee x .10
- * Federally Approved Indirect Cost Rate – A copy of the approved rate plan must be submitted

- *Only applicable if included in your budget!

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 budgeted 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

- 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 Budget Revision Requests per contract year.
- Budget Revision Requests must be received by your program’s VF Program Manager no later than April 1st and be approved prior to April 30th.
- Grantees must respond to any request for clarification within 5 business days or the Budget Revision Request will be voided and not approved.
SINGLE AUDIT ACT REQUIREMENTS (A-133)

What’s Current:
- The threshold for A-133 audits is $750,000.
- A copy of the most current audit must be submitted within 180 days after the end of the Provider’s fiscal year.
- The Provider will make very effort to include funds received from Volunteer Florida.
- All Audits received during the year should be sent to Volunteer Florida for review.
- If you are not required, please provide certification letter to us.

IPERIA AND WHAT IS IT?

IPERIA is the Improper Payment Elimination and Recovery Improvement Act. Under IPERIA, 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)
IPERIA

• The Process:
  • CNCS requests Volunteer Florida’s general ledgers that correspond to a given point in time (for example, August 1, 2017 through December 31, 2017)
  • The GL must match the FFR that was submitted
  • 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?

COMMON AUDIT FINDINGS

• Funded staff eligibility to work on grant is unclear
• Criminal History Check not properly done or documented
• Inadequate time and activity records for staff or members
• Member eligibility to serve is not documented
• Inadequate or no documentation for match or other expenditures
COMMON AUDIT FINDINGS

- Inadequate financial systems and internal controls
- Program specific requirements not met
- Financial Reports don't reconcile with general ledger
- Lack of written policies and procedures

FINANCIAL MONITORING SITE VISITS

- Volunteer Florida Financial Staff to schedule Financial Monitoring Visits of programs
- An email will be sent 2-3 prior to the visit along with a list of documentation we will review once we arrive
- We will need to meet with Finance staff while on the visit
PRE-ASSESSMENT QUESTIONS

- Where can you locate the federal award amount, grantee match amount & total contract amount
- Grant match requirement & importance of meeting match
- Importance of comparing budget & actual expenditures
- Maximum mileage rate for CNCS share
- Maximum meal reimbursement for CNCS share
- What can cause an expense to be disallowed
- What is considered a reasonable cost for reimbursement
- What is an allowable cost for the AmeriCorps grant
- Time frame for member contracts to be signed and members enrolled in eGrants
- Taxes and insurances associated with member living allowances

PRE-ASSESSMENT QUESTIONS

- Member timekeeping & timesheet requirements
- Tracking & documenting all salaries & wages charged to grant (CNCS & Grantee)
- A-133 audit requirements
- Types of donations allowable as match
- In-kind donations – documentation needed
- Types of non-monetary contributions that can be used as match
- National Service Criminal History Check (NSCHC) –
  - who is required to have NSCHC
  - types of NSCHC required
Questions?

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