

***AmeriCorps National Budget Technical Assistance:
Commonly Asked Questions
2009***

BASIC GUIDELINES

1. Question: What guidelines can be reviewed to better understand how AmeriCorps works?

Response: The Corporation's regulations provide detailed information about AmeriCorps; there are other AmeriCorps materials on the Corporation's website; and OMB Circulars describing allowable costs and federal grant requirements also apply to AmeriCorps. The regulations can be found in the Code of Federal Regulations (CFR) 45CFR Chapter 25 and along with other AmeriCorps documents are on the web at: http://www.americorps.gov/for_organizations/manage/index.asp. OMB Circulars are addressed elsewhere in this document.

2. Question: What are the distinctions between the budget line items for a planning grant versus an operational grant?

Response: There are no members associated with planning grants. Therefore, there would be no costs shown in Section II of the budget related to Member Support Costs. You may have costs in any of the cost categories in Sections I and III of the budget narrative, such as staff or consultant costs, depending on the specific plan you have developed.

3. Question: What parts of the budget do you have to complete if you are applying for an Education Award Program (EAP)?

Response: Because the Education Award Program is a fixed price grant, you are not required to complete a detailed budget. The budget instructions will explain how to convert the number of member slot types you are requesting into Member Service Years (MSYs) and calculate the amount.

MATCH-RELATED QUESTIONS

4. Question: What is the match requirement for AmeriCorps grants?

Response: The proposed budget for a new AmeriCorps program must include a minimum of 24% match funding. The 24% match can include cash or in-kind sources. In the fourth year of receiving CNCS funds, the match increases incrementally to a maximum of 50% beginning in the tenth year.

Please note that CNCS' match requirements are a percentage of the total program budget, not a percentage of the CNCS funding.

5. Question: If a subgrantee of another AmeriCorps program applies directly for AmeriCorps*National funding, is the applicant considered new and, therefore, not subject to a higher "overall match" level?

Response: Yes, this applicant would be considered a "new grantee" unless it has directly received AmeriCorps funding from CNCS within the past five years. The applicant is subject to the overall matching requirements, and the increasing overall match would begin in the fourth year of direct Corporation grant funding.

6. Question: May an organization charge fees to a service site to help cover required program match?

Response: Many programs cover a portion of their match in this way. However, to determine if your plan to charge fees is allowable, it must be presented in your application narrative.

7. Question: Can match count even though it has not been received at the time of the application?

Response: The government does not require that all match be in-hand, however, in-hand match vs. projected match may give one applicant a competitive advantage over another during peer and staff review of the application.

8. Question: What does it mean to have match in hand?

Response: Match in hand means having cash already committed to the program, or a letter of commitment from a funding source.

9. Question: Does the match level have to be 24% for each budget category?

Response: An applicant is required to meet its overall match requirement, starting at 24% for its first three years of funding. Match funds and Corporation funds can be allocated within the budget at the discretion of the program.

10. Question: Must an applicant provide a letter of support stating that another Federal agency gives approval to count their grant as match?

Response: The Corporation does not require a letter. It is the responsibility of the grantee to ensure that the other Federal agency is aware of and approves the use of its funds to match the Corporation's grant.

11. Question: Can space and utilities count as part of match contributions, and if so, how is their value calculated and documented?

Response: Yes, program-dedicated space, utilities, and supplies can be offered as part of a program's match contribution. You can estimate your space and utilities cost in total, and calculate an appropriate allocation to the program, most commonly by square foot of usage. Space, utilities or supplies that are used for the general administration of the grantee institution and not your proposed specific AmeriCorps program, are not allocable to your program nor allowable as match unless established as part of a federally approved indirect cost rate agreement.

12. Question: Can volunteer hours be counted as in-kind match?

Response: It depends. The Corporation does not allow volunteer community service as match. However, time donated by professionals, and other labor, can be acceptable when it is in support of a program and its management or other operating costs. The value of this time and services should be assessed based on what the professional would be paid under normal circumstances, and for which s/he must sign a document stating that this is the normal rate. It must be reasonable, and must be documented as the service is provided.

13. Question: Since an AmeriCorps grant covers a three-year period of time, do we develop a three-year budget?

Response: In the initial submission, a program must provide a budget submission for the first year and projected match for one year. It is not necessary to provide an estimate for the three-year period.

EQUIPMENT/SUPPLIES

14. Question: What is the difference between allocating an item on the budget as equipment versus under the supplies line item?

Response: An expense would fall under supplies as long as the individual unit cost is less than \$5,000. Individual units with the cost of \$5,000 or more are listed as equipment.

INDIRECT RATE/ADMINISTRATION COST QUESTIONS

15. Question: Is it necessary to have documentation on expenditures for the 5% of CNCS funds received for administration?

Response: If you choose to use the Corporation Fixed 5%, your charges against the 5% administration costs do not have to be documented. However, you can only use these funds as you would all others, for reasonable, allowable, allocable and

necessary costs under the OMB Cost Circulars for your type of institution (non-profit, State, educational institution, etc.). Please note, in order to charge the fixed 5%, the grantee match for administrative costs may not exceed 10% of all direct cost expenditures.

16. Question: Is there any advantage for an organization in applying for an Indirect Rate?

Response: Having your own federally Approved Indirect Cost Rate Agreement (IDCRA) provides you with a more accurate accounting for your costs, and can potentially provide you with the opportunity to charge more indirect costs to match. With an IDCRA, you can charge the portion of your IDCRA beyond the 5% limit of federal share to match. In other words, if you receive a 20% IDCRA, you can charge 5% to the federal share, and 15% to match. Your cognizant agency is responsible for negotiating your indirect cost rate and issuing the appropriate Negotiation Agreement. Unless specifically assigned by OMB, the Federal agency with the preponderance of direct funding is normally your cognizant.

17. Question: What is an example of how to apply the indirect cost rate?

Response: The budget instructions will walk you through the calculation of what you can allocate to the Corporation Share, but here is an example if you are using your indirect cost rate.

Corporation Section I + II Request:	\$300,000
Grantee Share of Sections I + II:	\$200,000
Total of I + II:	\$500,000

Calculating Section III (Administrative Costs): If you have an indirect cost rate of 14% based on all direct costs then you can apply .14 of \$500,000 or \$70,000 as the total administrative cost. However, the Corporation Share can only total 5% of the Corporation grant. This works out to .0526 of the Corporation Direct Costs (Sections I and II): $\$300,000 \times .0526 = \$15,780$. Therefore, allocate \$15,780 to the Corporation Share of Section III and the remainder, \$54,220 to the Grantee Share as follows:

a. Corporation Section I + II Request:	\$300,000
b. Corporation Share of Admin:	15,780
c. Total Corporation Share:	\$315,780
d. Grantee Share of Sections I + II:	\$200,000
e. Grantee Share of Admin:	54,220
f. Total Grantee Share	\$254,220
g. Total Grant Budget (c + f):	\$570,000

18. Question: Are program staff included in the Administrative Costs section?

Response: No - program staff working directly with the AmeriCorps program should not be included in the calculation for your indirect cost rate. Staff working directly with the AmeriCorps program would be listed in the budget under Program Operating Costs.

STAFFING COSTS

19. Question: Does the Corporation have any general guidance or expectation of a certain number of staff per AC member? What is standard for an acceptable staffing level?

Response: Staffing needs should follow program design, which can differ widely from program to program. Therefore, the Corporation does not dictate staffing levels. However, if you have questions on proposed staffing levels, please contact a Corporation Program Officer to review.

COST MODELS – LIMITS AND VARIATIONS

20. Question: Is the maximum requested funding amount of \$12,600 per Member Service Year (MSY) for Member living allowances and benefits only?

Response: No, the \$12,600 applies to total Corporation cost. The cost per MSY is for all costs within a grant that CNCS will provide including staff, other operating costs, administration and member costs. So, if you request a program with 20 full-time members, the most you can receive as a grant award would be $\$12,600 \times 20 = \$252,000$. Member living allowance amounts are outlined elsewhere.

21. Question: With the minimum living allowance requirement, and with other member costs such as FICA, workers' comp, etc., it seems there is little or no money left to actually staff and run an AmeriCorps program.

Response: The AmeriCorps legislation and regulations require significant matching; it is not designed to support programs with 100% federal funding. Nor do we assume that grantees will use most of the Corporation share to cover the living allowance. Therefore, running an AmeriCorps program by design and legislative intent, requires a meaningful investment of non-federal resources, including in-kind match from your community.

22. Question: Is there a threshold for costs for office space because it is going to vary across the country?

Response: The costs must be customary, reasonable and documented.

MEMBER STIPENDS AND OTHER MEMBER COSTS

23. Question: What is the minimum full-time member living allowance?

Response: For 2009, the minimum living allowance for a full-time member is \$11,400 and the maximum amount is \$22,800. The range (\$11,400 to \$22,800) in living allowance support is broad because each community varies in its cost of living and related expenditures requiring flexibility and additional grantee support as needed.

24. Question: If the average member living allowance is between the minimum and maximum stated above, could some AmeriCorps members receive less or more than the average?

Response: No, averaging is not allowed. All full-time members must receive at least the minimum. Also, members performing like service should receive the same living allowance. If you intend to vary living allowance amounts, you must describe it in your application, including appropriate budget calculations and projections.

25. Question: Are incentives for members allowable as part of “Other Member Costs”? That is, can some form of recognition be provided to members that says thanks?

Response: Various forms of “recognition” can be allowable. However, depending on your organization’s structure and mandate (State, not for profit, university, etc), you are subject to OMB Cost Principles which delineate what is and is not an allowable cost.

For states and tribes it is OMB Circular A-87, for non-profits (501 c (3) it is A-122, and for universities it is A-21

26. Question: What does HT mean in relation to AmeriCorps member positions?

Response: HT means Half-Time and refers to members who serve at least 900 hours during their term of service.

27. Question: Are all members eligible for health and child care support?

Response: Programs do not have to pay a living allowance to members who serve half-time or less and they are not eligible for health care or child care support. The grantee does have to provide full-time members with both health and child care.

28. Question: May an organization take bids from health care providers, or does health care come through an AmeriCorps provider?

Response: You may obtain the coverage from any source that meets the required level of coverage. There is a limit on the amount CNCS will provide for health care insurance of up to \$150.00 per month, unless approved as an exception.

29. Question: Are background checks required for Members involved with children and elders, and should this cost be included in the budget?

Response: Yes, a background check is required and may be included in the “other costs” requested in your budget. The Corporation recently revised its Regulations related to background checks, and guidance is posted at http://www.nationalservice.gov/for_organizations/manage/history_checks.asp. Be sure to review those regulations if your members will be serving children, the elderly, or other vulnerable populations.

30. Question: Can federal workstudy funds be used as match?

Response: CNCS has authority to work with workstudy programs. In the case that the entire AmeriCorps living allowance is covered by workstudy funding, the budget will not show workstudy funding as match, but will indicate both CNCS and other support at zero. Fully supported AmeriCorps members through workstudy count toward the MSY totals for your program.

31. Question: Is worker’s compensation required for Half- time or other less-than full-time members?

Response: Worker’s compensation is required for all members based on each state’s Department of Labor or similar agency’s requirements. If it is not state required, then the grantee must still provide Occupational, Accidental, Death and Dismemberment coverage in place of worker’s compensation.

BUDGET MODIFICATIONS – POST AWARD

32. Question: After an application has been submitted, approved and a grant award has been received, may the organization modify those budgets, or do budget swapping?

Response: The answer is yes with restrictions. A budget is an estimate of reasonable, necessary and allocable costs. When executed, the actual costs may vary. As these variances grow, you may reach thresholds where you must seek prior federal approval, e.g., 10% of total budget cumulative change. Additional restrictions apply when moving funds between budget categories I, II, and III.