



# Office of Faith-Based and Community Initiatives

Mitchell E. Daniels, Jr., *Governor* • Paula Parker-Sawyers, *Executive Director*

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## COMMUNICATION 2007-P-05

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**TO:** AmeriCorps\*State Sub-Grantee Organizations  
**FROM:** Paula Parker-Sawyers  
**CC:** Agency Operations Manual (2007)  
**DATE:** October 1, 2007  
**SUBJECT:** **Program Sustainability**

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### **PURPOSE**

The purpose of this policy is to: (1) limit an AmeriCorps\*State formula award to two (2) three-year grant cycles, or six (6) years; and, (2) require a gradual increase in the minimum overall share of the sub-grantee's match requirement.

### **EFFECTIVE DATE**

October 1, 2007

### **SCOPE**

This communication applies to all AmeriCorps\*State sub-grantee organizations.

### **RECESSION**

The OFBCI rescinds all previous communications issued by the Indiana Commission on Community Service and Volunteerism (ICCSV) pertaining to the sustainability of AmeriCorps\*State programs.

### **BACKGROUND**

In August 2001 the Indiana Commission on Community Service and Volunteerism (hereafter "ICCSV") instituted a sustainability policy requiring Indiana's AmeriCorps\*State sub-grantees to contribute annually a greater share of in-kind and cash resources in an effort to reduce an organization's reliance on competitive and/or formula support from the Corporation for National and Community Service (hereinafter "CNCS").

During this period the ICCSV defined sustainability as the ability of AmeriCorps\*State programs and the communities they serve to maintain services beyond federal funding or to demonstrate

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sufficient program growth and community need to warrant continued federal funding but at decreasing levels.

In October 2004 the ICCSV adopted an amendment capping at six (6) the number of years a sub-grantee may receive formula funding. Almost two years later, the ICCSV adopted an amendment requiring a sub-grantee to refrain from making an application for formula consideration, after receipt of six (6) years formula funding, for a one three-year grant cycle before returning to the formula pool for consideration. One year before, in 2005, the CNCS promulgated clear and sensitive rules governing the graduated share of sub-grantee expenditures, or match.

Today, the ICCSV: (1) remains committed to the underlying principles of sustainability; (2) recognizes the complexity and realizes that previous measures have caused undue confusion, erroneous and inconsistent enforcement; and, (3) acknowledges the necessity for a new, cohesive and comprehensive policy.

#### **A. Definitions.**

CNCS refers to the Corporation for National and Community Service, a federal corporation established by the National and Community Service Trust Act of 1993 (as amended).

Competitive is a method of AmeriCorps\*State funding under 42 U.S.C. 12581(d)(1).

Formula refers to a method of AmeriCorps\*State funding under 42 U.S.C. 12581(a)(1).

ICCSV means the Indiana Commission on Community Service and Volunteerism, a body politic appointed by the governor and established under Indiana Executive Order 05-16, and any amendments thereto.

National service program means an AmeriCorps\*State, Learn and Serve America (Community-Based), and other CNCS-funded grants administered by the OFBCI under the authority of Indiana Executive Order 05-16.

OFBCI refers to the Office of Faith-Based and Community Initiatives, a state agency established under Indiana Executive Order 05-16, and any amendments thereto.

Sub-grantee refers an intermediary and/or host organization eligible under 42 U.S.C. 12571(a), and selected through a formula or competitive application process, to render a direct service, specifically under the AmeriCorps\*State program, to a recipient or recipients.

#### **B. Eligible Applicants.**

(1) The following institutions are eligible to receive AmeriCorps\*State formula and competitive funding under 42 U.S.C. 12571(a).

- (a) a State;
- (b) subdivisions of States;
- (c) a public or private nonprofit organization (including religious entities and labor groups);
- (d) an institution of higher education; or,
- (e) a Federal agency.

- (2) For purposes of this policy, the terms *eligible applicant*, *eligible entity*, *sub-grantee*, and *sub-recipient* are interchangeable.

**C. Application Consideration.**

- (1) Under guidelines outlined in OFBCI Communication 2006-P-10 (effective October 2, 2006), the ICCSV shall determine solely the appropriate funding source – formula or competitive – for a particular eligible applicant.
- (2) The ICCSV shall not impose a limitation on the number of years an entity may submit a request for competitive consideration, provided the application meets the criteria outlined in the Request for Proposals and the guidelines established in OFBCI Communication 2006-P-10 (effective October 2, 2006).

**D. Award Limitations.**

- (1) The OFBCI shall limit the receipt of formula awards to two (2) three-year grant cycles, or six (6) years. An eligible entity may receive such an award consecutively or non-consecutively.
- (2) An eligible entity in receipt of AmeriCorps\*State competitive or national direct funds is ineligible to receive a formula award.
- (3) An eligible entity funded with competitive dollars for two (2) or more consecutive or non-consecutive grant cycles is ineligible to receive formula funds.

**E. Matching Requirements.**

- (1) A recipient of formula funds shall adhere to the basic matching requirements set forth by the CNCS. These requirements include:
- (a) A minimum cash or in-kind contribution of at least thirty-three percent (33%) of the sub-grantee shares in Sections I and III of the program budget; and,
- (b) A minimum non-federal cash contribution of at least fifteen percent (15%) in Section II of the program budget.
- (2) A recipient of formula funds shall provide an overall match for the AmeriCorps\*State program beginning in the first year of a second three-year grant. The overall percentage of match shall increase by four-percent (4%) over the previous periods in years two (2) and three (3) of a second three-year formula grant, or in years five (5) and six (6). The OFBCI shall not require a sub-grantee to provide an overall match in the first three years of formula funding.

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
<b>Minimum Member Support</b>	15%	15%	15%	15%	15%	15%
<b>Minimum Operating Costs</b>	33%	33%	33%	33%	33%	33%
<b>Minimum Overall Share</b>	N/A	N/A	N/A	26%	30%	34%

- (a) If a sub-grantee obtains competitive funding beyond the maximum six (6) year formula requirement, then the sub-grantee is responsible for meeting the CNCS' overall match requirements for programs in year seven (7) through ten (10).
- (b) If a sub-grantee receives two non-consecutive formula awards, then the OFBCI shall hold the entity to the level of overall match it provided in the previous competitive grant cycle.
- (c) A sub-grantee must contribute matching resources by the end of the grant period in an amount equal to the combined total of the minimum overall match for each year of the grant period, according to the table above.
- (d) If a sub-recipient fails to receive formula or competitive funds for a period of five (5) or more years, then the minimum overall share defaults to year one of a three-year grant cycle upon the sub-grantee's receipt of AmeriCorps\*State funds.
- (e) A sub-grantee may be eligible to receive a waiver from the minimum overall share provided it meets the requirements set forth in 45 C.F.R. 2524.60(3)(c)-(f)(2) and 2521.70.

**F. *New or Replacement Applicants.***

- (1) If an entity is a new or replacement applicant for an existing program funded under 42 U.S.C. 12581(a)(1), then it shall provide matching resources at the level the previous legal applicant had reached at the time the new or replacement applicant assumed responsibility for the program.
- (2) An applicant organization becomes ineligible for formula consideration if the entity is a new or replacement applicant for an existing program, which is ineligible to receive formula funds due to restrictions set forth in this policy. However, if the applicant organization served as a previous host site under an existing program, which is no longer eligible to receive formula funds due to restrictions set forth in this policy, then the entity may be eligible for formula consideration for a period not to exceed six (6) years, provided the entity's program is different in scope to the one previously funded.

**REFERENCES AND PRECEDENCE**

**A. *References.***

42 U.S.C. 12571(a)  
 42 U.S.C. 12581(a)(1)  
 42 U.S.C. 12581(d)(1)  
 42 U.S.C. 12581(d)(2)  
 45 C.F.R. 2521.45  
 45 C.F.R. 2521.60(a)(1).  
 45 C.F.R.2521.60 (3)(c)-(f)(2)  
 45 C.F.R. 2521.70  
 Indiana Executive Order 05-16

**B. *Precedence.***

Should there be any inconsistency between the United States and Indiana Codes, Indiana Executive Orders, U.S. and Indiana Administrative Codes, and this internal policy the order of precedence that will prevail is (1) United States and Indiana Codes; (2) Code of Federal Regulations; (3) AmeriCorps General Provisions; (4) AmeriCorps Special Provisions; (5) this internal policy.

**INTERPRETATION**

The OFBCI executive director shall have the sole authority to interpret the provisions set forth in this policy.

**APPROVAL:**



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**Paula Parker-Sawyers, Executive Director**

October 1, 2007

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**Date**