



# Michigan's AmeriCorps 2020-2021 Concept Paper Budget Instructions

When submitting a concept paper for 2020-21 Michigan's AmeriCorps funding, please submit an Excel budget document as a separate attachment by utilizing the budget narrative template which was distributed with concept paper materials, can be accessed on the Michigan Community Service Commission's website, or can be requested from Shannon Zoet at [zoets@michigan.gov](mailto:zoets@michigan.gov).

Reviewers will assess the quality of the application's budget against the criteria below. Do not assume all criteria are of equal value.

- Proposed costs are allowable, reasonable, and allocable to the award.
- Budget is submitted without mathematical errors.
- Budget is submitted with adequate information to assess how each line item is calculated.
- Budget is in compliance with the budget instructions.
- Match is submitted with adequate information to support the amount written in the budget.
- The cost per MSY is equal to or less than the maximum cost per MSY. Proposed budgets that contain MSY costs that exceed the maximum cost per MSY and/or less than required match will be considered unresponsive to the application criteria.

**Before You Begin:** Your detailed budget must provide a full explanation of associated costs including the purpose, justification, and the itemized basis of your calculations. Where appropriate, your calculations should be presented in an equation format, identifying the number of persons involved with the event, per person/actual cost, the annual salary cost, etc.

**Cost Per MSY:** The CNCS cost per MSY is determined by dividing the CNCS share of budgeted grant costs by the number of MSYs requested. It does not include childcare or the value of the education award a member may earn. The maximum amount an applicant may request from CNCS per MSY is determined on an annual basis. New and re-competing State Commission sub-grantees/applicants will be held to the maximum cost per MSY for their grant type. **The 2020-21 maximum cost per MSY is \$15,479.**

**Summary of Statutory Budget Requirements:** Equipment costs must not exceed 10% of the total federal share. Administrative costs must not exceed 5% of the total CNCS funds requested.

**Consistency of Treatment:** To be allowable under this award, costs must be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the applicant. Furthermore, the costs must be accorded consistent treatment in both federally financed and other activities as well as between activities supported by different sources of federal funds.

## SECTION I: PROGRAM OPERATING COSTS

**A. Personnel Expenses:** Include the portion of principal staff time attributed directly to the operation of the AmeriCorps program. List each staff position percentage of time attributable to program and wage calculation. *Note that all programs are required to have at least one full-time staff person dedicated solely to the operation of the program. Any exception to this rule must be approved by MCSC.*

- B. Personnel Fringe Benefits:** Include costs of benefit(s) for your project staff. Identify and calculate each benefit percentage. Please provide cost calculations for benefits, such as FICA, health, retirement, etc., separately rather than as one lump sum item. (Holidays, leave, and other similar vacation benefits are not included in the fringe benefits rates).
- C. Staff Travel:** Describe the purposes for staff travel. Costs allowable are transportation (2019 State of Michigan rate is \$.580 maximum/mile unless you have an approved organizational policy at a higher rate), lodging, subsistence, and other related expenses for local and outside the project area travel. All travel and mileage rates must not be greater than the most recent State of Michigan travel reimbursement rates, as well as consistent with the organization's travel policy. Please refer to the most current DTMB schedule of travel rates at [http://www.michigan.gov/dtmb/0,5552,7-150-9141\\_13132---,00.html](http://www.michigan.gov/dtmb/0,5552,7-150-9141_13132---,00.html). Food costs must be reasonable and necessary.

Be sure to include the following:

1. The costs associated with traveling to five program director meetings in Lansing, and one 2-day program director meeting including overnight accommodations.
2. \$2,000 for travel for at least one staff member to attend the CNCS-sponsored technical assistance meetings. The description should be **exactly** as follows:

***Out of State Travel to CNCS-Sponsored Meetings (D.C): Conference 4 nights, hotel @\$139 avg. gov rate + tax (per Conlin Travel) = \$150/nt x 4 nts=\$600; airfare \$450; Food-\$38.25 (B-fast @ \$13.00 + Dinner @ \$25.25) x 5 days = \$191.25; cab fare @ \$100RT; mileage to airport RT @ 351.7 miles x .580 (premium state rate travel) = \$204 conf. reg. fee @\$454.75 = \$2000***

- D. Member Travel:** Describe the purpose for which members will travel. Costs allowable under this category are transportation (see Staff Travel section for travel rate information), lodging, meals (breakfast, lunch, dinner) during events/ trainings, and other related expenses for members to travel outside their service location or between sites. Costs associated with traveling locally, such as bus passes to local sites, mileage reimbursement for use of car, etc., may be included in this category.

Each applicant should budget for a LeaderCorps representative to attend two statewide meetings (one in Lansing and one in northern Michigan), and specifically state this in the budget narrative. Applicants need only budget mileage and incidentals. Each applicant must also include all necessary travel costs for members to attend a statewide Lansing held Member Celebration and mileage for a regional service project.

- E. Equipment:** Equipment is defined as tangible, non-expendable personal property having a useful life of more than one year AND an acquisition cost of \$5,000 (five thousand) or more per unit (including accessories, attachments, and modifications). Include items that do not meet this definition in the *Supplies* section below. Purchases of equipment are limited to 10% of the total grant amount (i.e., the federal share of all budget line items). If applicable, show the unit cost and number of units you are requesting.
- F. Supplies:** Include the funds for the purchase of consumable supplies and materials, including Member Service Gear (uniform) and equipment that does not fit the definition above. You must individually list any single item costing \$1,000 (one thousand) or more. Programs are required to budget for and purchase all members a basic AmeriCorps uniform package with the AmeriCorps logo (such as a t-shirt, sweatshirt, hat, lapel pin, and button) at a minimum of \$35.00 and maximum of \$70.00 per member. Additional uniform costs cannot be budgeted in the CNCS share. List what the uniform package includes and the total cost per package. Any exception to this rule must be approved by the MCSC. Programs should supply items that are best suited to the type of services provided by members.

- G. Contractual and Consultant Services:** Applicants may include costs for consultants related to the project's operations. Consultants used for evaluation should be included in **H. Evaluation** below. Payments to individuals for consultant services under this grant may not exceed **\$750 per day** (exclusive of any indirect expenses, travel, supplies, etc.). Where applicable, indicate the daily rate for consultants.
- H. Staff Training:** These costs are considered **registration fees** and should be listed as such along with the costs associated with training of staff working directly on the project; especially training that specifically enhances staff project implementation and professional skills (e.g., project or financial management, team building, etc.). Indicate daily rates of consultants, where applicable.
- I. Member Training:** These costs are also considered **registration fees** and must be listed as such along with the costs associated with the training of members that will support them in carrying out their service activities (e.g., type of orientation, project-specific skills and knowledge such as age-appropriate tutoring, CPR, ecosystems in the environment, Life After AmeriCorps, etc.). Please justify/explain how meals for the members training (e.g., type of training) are essential components of this activity and that content is provided during the meal period. Indicate daily rates of consultants, where applicable.

All applicants must budget a \$60 registration fee for all member slots to attend statewide MCSC sponsored trainings and events. *Amount is subject to change in comprehensive application budget instructions.* This should be its own line item within this section and should be represented as follows (insert the number of members granted to your program in the calculation and show the total costs associated):

***(# members \* \$60 reg. fee) = \$### to attend statewide MCSC-sponsored member trainings and events***

- J. Evaluation:** Include costs for project evaluation activities, including additional staff time or subcontracts you did not budget under **A. Personnel Expenses**, use of evaluation consultants, purchase of instrumentation and other costs specifically for this activity. This *does not* include the daily/weekly gathering of data to assess progress toward project objectives but is a larger assessment of the *impact* your project is having on the community, as well as an assessment of the overall systems and project design. Indicate daily rates of consultants, where applicable. Provide a brief description on the purpose and activities of the evaluation.
- K. Other Operating Costs:** Allowable costs in this category are the **required** National Service Criminal History Checks (NSCHC) of all staff and members who receive a salary, education award, living allowance or stipend from CNCS grant or match funds. Applicants should budget \$64 per member to use approved NSCHC vendors.

Other operating costs may include office space rental for sites where projects are operating, utilities, and telephone and internet expenses that are specifically used for AmeriCorps members, directly involve AmeriCorps program staff, and are not part of the organization's indirect cost/admin cost. If shared with other projects or activities, you must prorate the costs equitably. List each item and provide a justification in the budget narrative. Affirm that office space expenses are for the specific use of AC staff and members.

**Match:**

Describe the grantee match contribution for Section I by clearly indicating the source(s), the type of contribution (cash or in-kind), the amount (or estimate), and the intended purpose of the match. Applicants may enter this information in any category in the Purpose-Calculation field.

**SECTION II: MEMBER COSTS**

**A. Living Allowance:**

The narrative should clearly identify the number of member slots the program will support by type (e.g., full-time, reduced full-time, half-time, etc.) and the amount of living allowance they will receive, allocating appropriate portions between the CNCS and grantee match based on other funding sources.

Members: Enter the total number of members you are requesting in each slot type. Enter the amount of the

living allowance for each slot type. Enter the number of members for which you are not requesting living allowance funds, but for which you are requesting education awards.

Calculating the Living Allowance: Unless you are proposing a professional corps, all full-time members must receive a living allowance between \$14,279 (minimum) and \$28,558 (maximum). While you are not required to provide living allowances for members serving less than full-time, it is recommended that you do as this aids in recruitment and retention of AmeriCorps members.

**B. Member Support Costs:**

Consistent with CNCS regulations and Michigan law, you must provide members with the benefits below:

FICA: Unless exempted by the IRS with accompanying documentation, all projects must pay FICA for any member receiving a living allowance, even when the Corporation does not supply the living allowance. In the first column next to FICA, indicate the number of members who will receive FICA. Calculate the FICA at 7.65% of the total amount of the living allowance.

Worker's Compensation: Worker's compensation is required for Michigan's AmeriCorps members (if you are not required to pay worker's compensation you must obtain Occupational, Accidental, Death and Dismemberment coverage for members to cover in-service injury or incidents).

Health Insurance: The program *must* offer health care benefits to *full-time members* in accordance with AmeriCorps requirements. Except as stated below the program may not pay health care benefits to half-time members with CNCS funds. You may choose to provide health care benefits to less-than full-time members using other sources, but the cost cannot be included in the budget. With approval from CNCS and the MCSC, less-than-full-time members who are serving in a full-time capacity for a sustained period of time (such as a full-time summer project) may be eligible for health care benefits supported with program funds. In the budget narrative, indicate the number of members eligible for the program's health care benefits. CNCS funds cannot be used to pay for dependent coverage. If the number of members for which health insurance is budgeted is less than total number of eligible members, you must provide justification for the difference.

Other: Include any other required member support costs here. *Note: Michigan does not require programs to budget for unemployment costs.*

**Match:** Describe the grantee match contribution for Member Costs by clearly indicating the source(s), the type of contribution (cash or in-kind), the amount (or estimate), and the intended purpose of the match. You can enter this information in the Purpose/Category field in section *B. Member Support Costs*.

**Source of Funds:** Additional revenue must be listed separately in the source of funds needed to operate the program (i.e. General Funds, Organization). Ensure that the funds are identified as secured or proposed, type and source. Total source of funds must equal to or greater to the required grantee match total in the budget.

### **SECTION III: ADMINISTRATIVE / INDIRECT COSTS**

**Definition:**

Administrative costs are general or centralized expenses of the overall administration of an organization that receives CNCS funds and do not include particular project costs. These costs may include administrative staff positions. For organizations that have an established indirect cost rate for federal awards, administrative costs mean those costs that are included in the organization's indirect cost rate agreement. Such costs are generally identified with the organization's overall operation and are further described in Office of Management and Budget Circulars A-21, A-87, and A-122. For organizations that do not have an established indirect cost rate for federal awards, administrative costs include:

- Costs for financial, accounting, auditing, contracting, or general legal services, except in unusual cases whether they are specifically approved in writing by the Corporation as project costs;
- Costs for internal evaluation, including overall organization's management improvement costs (except for independent and internal evaluations of the project evaluations that are specifically related to creative methods of quality improvement); and
- Costs for general liability insurance that protects the organization(s) responsible for operating a project, other than insurance costs solely attributable to the project.

Administrative costs may also include that portion of salaries and benefits of the program's director and other administrative staff not attributable to the time spent in support of a specific project. The principles that pertain to the allocation and documentation of personnel costs are stated in the OMB circulars that are incorporated in CNCS regulations [45 CFR 2541.220(b)].

Administrative costs ***do not*** include the following allowable expenses directly related to a project (including their operations and objectives), such as:

- allowable direct charges for members, including living allowances, insurance payments made on behalf of members, training, and travel;
- costs for staff (including salary, benefits, training, and travel) who recruit, train, place, or supervise members or who develop materials used in such activities, if the purpose is for a specific project objective;
- costs for independent evaluations and any internal evaluations of the project that are related specifically to creative methods of quality improvement;
- costs, excluding those already covered in an organization's indirect cost rate, attributable to staff that work in a direct project support, operational, or oversight capacity, including, but not limited to: support staff whose functions directly support project activities;
- staff who coordinate and facilitate single or multi-site project activities; and
- staff who review, disseminate, and implement CNCS guidance and policies directly relating to a project; space, facility, and communications costs that primarily support program operations, excluding those costs that are already covered by an organization's indirect costs rate; and other allowable costs, excluding those costs that are already covered by an organization's indirect cost rate, specifically approved by CNCS as directly attributable to a program.

### **Indirect Cost Rates**

If grantees have an approved indirect cost rate, such rate will constitute documentation of the grantee's administrative costs including the 5.26% maximum payable by CNCS and the grantee match of administrative costs.

If a grantee wants to claim more than 10% match in administrative costs it must have or obtain an approved indirect cost rate. Where appropriate, CNCS will establish an indirect cost rate that may be used for this and other Federal awards.

As per federal guidelines, the Michigan Community Service Commission will set aside a portion of the federal administrative share to use in administering its sub-grantees, equal to approximately 1% of the total budget. This amount must not exceed 20% of the maximum 5.26% federal share and, therefore, the sub-grantee's portion must not exceed 80% of the maximum federal share. The calculations are below.

### **Options for Calculating Administrative/Indirect Costs (choose either A OR B)**

Applicants may choose to use one of two methods to calculate allowable administrative costs – a Corporation fixed percentage method or a federally approved indirect cost rate method. Regardless of the option chosen, the Corporation's share of administrative costs is limited by statute to 5.26% of the total Corporation funds *actually expended* under this grant.

Please note – applicants are not required to budget for administrative/indirect costs. However, the applicant is required to budget for the CNCS Commission Fixed Amount, as described in Option A.d. below.

### Option A: Corporation Fixed Percentage Method

The Corporation fixed rate allows you to charge administrative costs up to a cap without a federally approved indirect cost rate and without documentation supporting the allocation. You may charge, for administrative costs, a fixed 5.26% of the total of the Corporation (CNCS) funds **expended**. In order to charge this fixed 5.26%, the grantee match for administrative costs may not exceed 10% of all direct cost expenditures. The allocation budgeted and claimed *should not exceed actual expenses*.

However, because the MCSC requires 1% of each grantee’s CNCS administrative costs to be set aside from the reimbursable grant award, each grantee regardless of grant award type is only allowed to charge up to 4.20% of the total of the Corporations funds expended (a.) and will need to follow the instructions below even if you have a federally approved indirect cost rate. The federally approved indirect cost rate may be budgeted under the Administrative/Indirect Costs (Option B below) not to exceed a reimbursement rate of 4.21%.

- a) To allocate the *CNCS share* of this amount (called Corporation Fixed Amount on the budget: Multiply the sum of the CNCS shares of Sections I and II by 5.26% (i.e. 0.0526) x .80 (this is the same as 4.20%). This is the maximum amount that you can request as the CNCS share of administrative costs. Enter this amount as the CNCS share for Section III, in the line item **Corporation Fixed Amount**.
- b) To allocate the *Grantee share* of this amount: If applicable, multiply the total (both CNCS and grantee shares) for of Sections I and II by 10% (0.10). This is the maximum amount you can enter as the grantee share for Section III A, in the line item Corporation Fixed Amount.
- c) Enter the sum of the CNCS and grantee shares under Total Amount.
- d) To allocate the CNCS Commission Fixed Amount of administrative costs: Multiply the sum of the CNCS shares of Sections I and II by 5.26% (i.e., 0.0526) x .20 (which is the same as 1.05%) = \_\_\_\_\_. This is the maximum amount the program is *required* to list as the Commission’s CNCS share of administrative costs. Enter this amount as the CNCS share for Section III, in the line item **Commission Fixed Amount**. *Do not list any part of this amount under Grantee Share*.

### Budget Narrative Example:

#### CNCS Corporation Fixed Amount:

$(\text{CNCS [Section I]} + [\text{Section II}] \times 0.0526) \times (0.80) = \text{CNCS Share}$

#### Grantee Corporation Fixed Amount:

$(\text{CNCS [Section I]} + [\text{Section II}] + \text{Grantee Share [Section I]} + [\text{Section II}] \times 0.10) = \text{Total Grantee Share}$

#### \*Commission Fixed Amount:

$(\text{CNCS [Section I]} + [\text{Section II}] \times .0526) \times (.20) = \text{CNCS Commission Share}$

### Option B: Federally Approved Indirect Cost Rate Method

If you have a Federally Approved Indirect Cost (IDC) rate and choose to use it, the IDC rate will constitute documentation of your administrative costs including the 5% maximum payable by CNCS. Specify the Cost Type for which your organization has current documentation on file (i.e., Provisional, Predetermined, Fixed, or Final indirect cost rate). Supply your approved IDC rate (percentage) and the base upon which this rate is calculated (direct salaries, salaries and fringe benefits, etc.). It is at your discretion whether or not to claim your entire IDC rate to calculate administrative costs. If you choose to claim a lower rate, please include this rate in the *Rate Claimed* field.

- a) Determine the base amount of direct costs to which you will apply the IDC rate, including both the CNCS and Grantee’s shares, as prescribed by your established rate agreement (i.e., based on salaries and benefits,

total direct costs, or other). Then multiply the appropriate direct costs by the rate being claimed. This will determine the total amount of indirect costs allowable under the grant.

- b) To allocate the CNCS share of this amount: Multiply the sum of the Corporation funding share in Sections I & II by 0.0421. This is the maximum amount you can claim as the CNCS share of indirect costs.
- c) To allocate the Grantee share of this amount: Subtract the amount calculated in step b. (the CNCS administrative share) from the amount calculated in step a. (the Indirect Cost total). This is the amount the applicant can claim as grantee share for administrative costs.

**BEFORE YOU SUBMIT**

**Before you submit your budget, ensure the following:**

- Double check all calculations
- Review your budget against these guidelines
- Ensure the Cost per MSY does not exceed \$15,479. (Visible at the very bottom of the budget tool.)
- Ensure the Grantee Share percentage meets the required amount depending on the year of funding for which you are applying:

AmeriCorps Funding Year	1, 2, 3	4	5	6	7	8	9	10+
Grantee Share Requirements	24%	26%	30%	34%	38%	42%	46%	50%