



**Department
of State**

2020 CSBG Regional Meeting Presentation

Bureau of Fiscal Management

May 20, 2020

Agenda

- Current CSBG Contracts
- Importance of Fiscal Policy and Procedure Manuals
- Cost Allocation
- Budgeting Considerations
- CARES Supplemental Contracts
- 2019 Closeout
- Questions & Answers

Current CSBG Contract and Budget Periods

<u>CSBG Contracts</u>	10/01/18	10/01/19	03/01/20	03/31/20	04/01/20	09/30/20	10/01/20	09/30/21	10/01/21	09/30/22
2019 Entitlement	Green									
2020 Entitlement		Yellow								
2020 Discretionary			Blue							
CARES Supplemental					Red					
2021 Entitlement							Purple			
2022 Entitlement									Orange	

Current CSBG Contracts



MUST track spending and activities for the individual contracts separately.

MUST report spending and activities for the individual contracts separately.

Set up account coding to accomplish this

Current CSBG Contracts

Contact Type	Current Activities
2019 Entitlement	Unaudited Financial Statements (UFS) are due 5/31/20. Grantees should be preparing to submit UFS. Grantees should submit a final budget amendment request, if needed
2020 Discretionary	Contract documents were due to DOS on 5/6/20, contracts are working their way through the approval process. Workplan activities and spending may be in progress
2020 Entitlement	Workplan activities and spending are in progress. Amendments with increased allocation were sent to Grantees on 4/30/20 and due back to DOS on 5/21/20
CARES Supplemental	DOS received the Notice of Grant Award on 5/13/20 – Grantees should be planning how to use the funds of the various CSBG contracts to achieve outcomes
2021 Entitlement	Refunding application sent to grantees on 5/8/20 and due back to DOS 6/5/20

Fiscal Policy and Procedure Manual



It is imperative that your Fiscal Policy and Procedure Manual (FPPM) is up to date and comprehensive



There are costs that grantees are planning to charge to CSBG contracts that are only allowable when incurred based upon a board approved policy.



These items include (but are not limited to)

- Salary
- Incentive Compensation
- Leave



Fiscal Policy and Procedure Manual

§ 75.430 Compensation - personal services

(a) General. Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits which are addressed in § 75.431. Costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees:

- (1) *Is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities;*
- (2) *Follows an appointment made in accordance with a non-Federal entity's laws and/or rules or written policies and meets the requirements of Federal statute, where applicable; and*
- (3) *Is determined and supported as provided in paragraph (i) of this section, when applicable.*

Fiscal Policy and Procedure Manual

ATTACHMENT A-1

New York State Department of State (4/21/20)

C. Applicable Terms

In addition to the criteria set forth in IV(E)(1)(b) of the Standard Terms and Conditions, documentation of personal service expenditures shall:

- 1) Be based upon actual work performed;
- 2) Be supported by internal controls that provide a reasonable assurance that the charges are accurate, allowable, and properly allocated; and
- 3) Comply with the Contractor's established accounting policies.

Fiscal Policy and Procedure Manual

§ 75.430 Compensation - personal services

(f) *Incentive compensation. Incentive compensation to employees based on cost reduction, or efficient performance, suggestion awards, safety awards, etc., is allowable to the extent that the overall compensation is determined to be reasonable and such costs are paid or accrued pursuant to an agreement entered into in good faith between the non-Federal entity and the employees before the services were rendered, or pursuant to an established plan followed by the non-Federal entity so consistently as to imply, in effect, an agreement to make such payment.*

Fiscal Policy and Procedure Manual

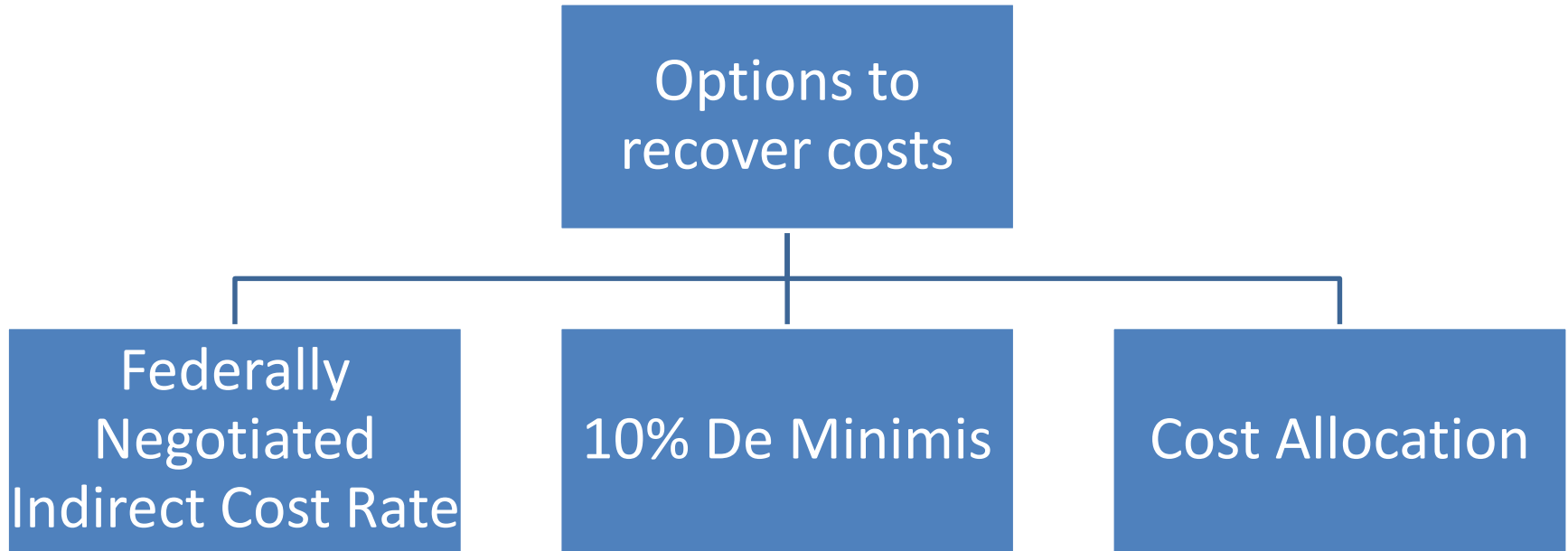
§ 75.431 Compensation - fringe benefits.

(a) Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in these principles, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, non-Federal entity-employee agreement, or an established policy of the non-Federal entity.

(b) Leave. The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, court leave, military leave, administrative leave, and other similar benefits, are allowable if all of the following criteria are met:

- (1) They are provided under established written leave policies;
- (2) The costs are equitably allocated to all related activities, including Federal awards; and,
- (3) The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the non-Federal entity or specified grouping of employees.

Cost Allocation



Cost Allocation

Federally Negotiated Indirect Cost Rate (FNICR)

§ 75.414 Indirect (F&A) costs

(c) Federal Agency Acceptance of Negotiated Indirect Cost Rates. (See also [§ 75.306](#).)

(1) The negotiated rates must **be accepted by all Federal awarding agencies.**

(g) Any [non-Federal entity](#) that has a current federally negotiated indirect cost rate **may apply for a one-time extension of the rates in that agreement for a period of up to four years.** This extension will be subject to the review and approval of the [cognizant agency for indirect costs](#). If an extension is granted the [non-Federal entity](#) may not request a rate review until the extension period ends. At the end of the 4-year extension, the [non-Federal entity](#) must re-apply to negotiate a rate. Subsequent one-time extensions (up to four years) are permitted if a renegotiation is completed between each extension request.

Provide DOS with a copy of your currently approved FNICR agreement

Cost Allocation

10% De Minimis

§ 75.414 Indirect (F&A) costs

(f) In addition to the procedures outlined in the appendices in [paragraph \(e\)](#) of this section, any [non-Federal entity](#) that **has never received a negotiated indirect cost rate**, except for those non-Federal entities described in paragraphs (c)(1)(i) and (ii) and section (D)(1)(b) of appendix VII to this part, may elect to charge a de minimis rate of 10% of **modified total direct costs (MTDC)** which may be used indefinitely. As described in § 75.403, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. If chosen, this methodology **once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate**, which the [non-Federal entity](#) may apply to do at any time.

Notify DOS in writing if you are electing to use the 10% De Minimis

Provide the schedule of MTDC (as defined in § 75.2) you intend to use as a base to DOS for review and approval

Cost Allocation

Cost Allocation

§ 75.405 Allocable costs

(a) A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:

- (1) Is incurred specifically for the Federal award;
- (2) Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
- (3) Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart.

d) Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost should be allocated to the projects based on the proportional benefit.

These methods should be included in your Cost Allocation Plan and followed consistently

Budgeting Considerations

Expenditure Descriptions for Budget Preparation

This reference document has been distributed with your contract documents

Includes Uniform Guidance references – this will help you consider factors affecting allowability

Budgeting Considerations

§75.407 Prior written approval (prior approval)

Prior approval is specifically required for allowability under certain circumstances.

Below are some of the most common CSBG costs that require prior approval (see §75.407 for a full list):

§75.413 Direct costs

(c) The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

- (1) Administrative or clerical services are integral to a project or activity;
- (2) Individuals involved can be specifically identified with the project or activity;
- (3) Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
- (4) The costs are not also recovered as indirect costs.

Budgeting Considerations

§75.407 Prior written approval (prior approval)

Most common CSBG costs requiring prior approval (con't):

§75.438 Entertainment costs

Costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable, except where specific costs that might otherwise be considered entertainment have a programmatic purpose and are authorized either in the approved budget for the Federal award or with prior written approval of the HHS awarding agency.

§75.454 Memberships, subscriptions, and professional activity costs

(c) Costs of membership in any civic or community organization are allowable with prior approval by the HHS awarding agency or pass-through entity.

§75.456 Participant support costs

Participant support costs as defined in §75.2 are allowable with the prior approval of the HHS awarding agency

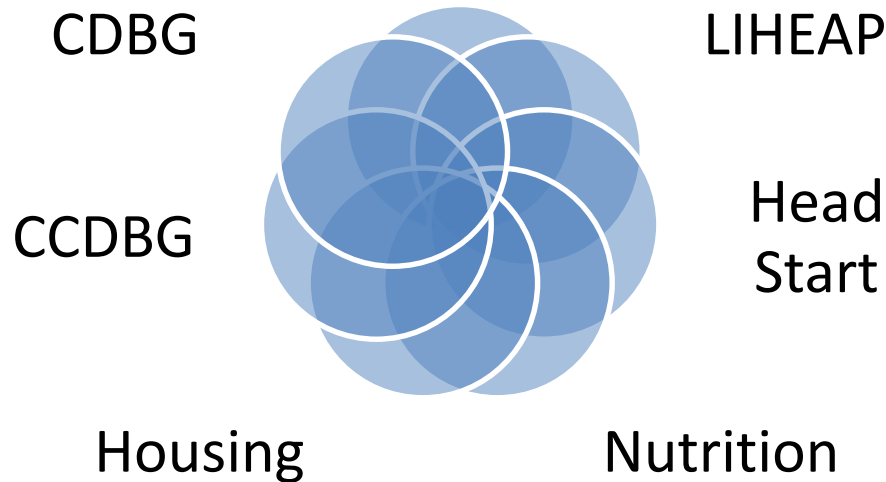
CARES Supplemental – Fiscal

\$1,000,000,000 for carrying out activities under sections 674 through 679 of the Community Services Block Grant Act

- OCS will distribute funds utilizing the normal allocation formula
- States should distribute funds utilizing their existing allocation formula
- States must pass through 90% of funds to local entities
- States may expand eligibility for services from 125% to 200% Official Poverty Line for supplemental funding (currently available through 9/30/21, however it appears it may be extended, but has not yet been)
 - NYS has elected to adopt the 200% of FPL for all available periods

CARES Supplemental – Fiscal

The CSBG Network Will Receive an Influx of Funds



CARES Supplemental – Fiscal

Grantees must guard against
supplanting federal funds



Federal funds may be used to **supplement existing funds for program activities** and must not replace those funds that have been appropriated for the same purpose.

CARES Supplemental – Fiscal

Contract period will be ____ - 9/30/22

Contract approval process is the same as entitlement contracts (requires AG and OSC approval)

Payment structure is the same as your entitlement contracts

Payment	Criteria
25% Advance	Upon execution of the CSBG CARES Contract
2 nd 25% Advance	After submission and approval of 20% financial report and achievement of program objectives
3 rd 25% Advance	After submission and approval of 45% financial report and achievement of program objectives
Final 25% Advance	After submission and approval of 70% financial report and achievement of program objectives

CARES Supplemental – Fiscal



Unaudited Financial Statements (UFS) for the CARES Supplemental Contract will be due 11/15/22



Any unspent CSBG CARES funds **MUST BE** remitted to DOS with the submission of the UFS and no later than 11/15/22



Grantees have the ability to amend the contract throughout the life of the contract – this should allow for the flexibility to provide services as needed and maximize the funding to achieve intended purposes

CSBG 2019 Entitlement Closeout

2019 is the last budget period in your 3 year contract, unspent 2019 funds CANNOT be carried over – if you have unspent 2019 funds, notify your assigned DOS Fiscal Field Representative immediately

UFS are due 5/31/20 – if you need to request an extension, please email your assigned DOS Fiscal Field Representative prior to 5/31/20

Line overages are NOT ALLOWABLE – if you have any overage based upon the currently approved budget, an amendment request must be submitted
For example, the currently approved travel budget is \$1,500 and actual travel costs are \$2,500, an amendment request must be submitted to increase the travel budget to \$2,500

Questions & Answers

Albany 518-474-2754

LuAnn Hart, Director

Craig Howard, Fiscal Field Representative

Mindy VanAlstyne, Fiscal Field Representative

Syracuse 315-428-4263

Katrina Abel, Fiscal Field Representative

Buffalo 716-847-7951

Cindi Denick, Associate Accountant