



# Core competencies for effective grants management:

a tool for Learn and Serve America grantees

Corporation for National and Community Service  
Learn and Serve America



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A TOOL FOR LEARN AND SERVE AMERICA GRANTEES

# Core competencies for effective grants management

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Learn and Serve America  
Corporation for National and Community Service  
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## Preface

As part of its ongoing efforts to provide useful technical assistance to its grantees and help Learn and Serve America programs achieve strong and lasting results, the Corporation for National and Community Service (the Corporation) has launched this grants management core competencies initiative. Drawing on the needs and experience of Learn and Serve grantees and other federal programs, the project has identified key competencies that characterize effective grants management, provides grantees with descriptions of those competencies, and offers grantees ways to identify their own strengths and opportunities for improvement. Related Learn and Serve efforts include identifying and distributing effective practices in grants management, developing tools to better assist grantees, and providing opportunities to adopt state-of-the-art program and grants management practices through ongoing training and technical assistance.

The core competencies initiative began with assessment of field needs, strengths, and gaps in capacity from both grantee and Corporation staff perspectives. The analysis of the Learn and Serve experience was supplemented by information from other Corporation and federal grant programs about effective grants management practices. The findings from this research were instrumental in informing the development of a set of key core competencies to be used to guide program managers in their work. Grantees can assess their own capabilities against the competencies in this document, and develop action plans to help guide further planning and development.

The core competencies are not intended to provide definitive answers, but rather as a guide to prompt reflection and self assessment on the part of grantees. This initial version of the competencies will be revised regularly to ensure it is used and useful. A companion self assessment tool will also be made available.

This document was developed in consultation with Learn and Serve program staff, the Corporation's Office of Grants Management, and grantees themselves. The Executive Board of SEANet and other SEA representatives provided input and feedback as well. *Core Competencies for Effective Grants Management: A Tool for Learn and Serve Grantees* was developed by Plexus Scientific Corporation and Practical Strategy Consulting under contract GS-10F-0035K.

# Table of Contents

<b>Preface</b> .....	i
<b>Introduction</b> .....	1
<b>Top 8 Effective Grants Management Core Competencies</b> .....	5
Managing Risk .....	7
Understanding Federal Requirements .....	10
Translating a Proposal into a Program Plan and Using It.....	13
Managing and Administering Sub-grants .....	15
Managing Budget and Finances .....	17
Using Management Systems .....	20
Keeping Records and Documenting Progress .....	22
Addressing Weaknesses.....	24
<b>Common Compliance Issues</b> .....	26
<b>Definitions of Terms</b> .....	27
<b>Review of OMB Circulars</b> .....	32



# Core competencies for effective grants management:

A tool for Learn and Serve America grantees

**T**he Core Competencies for Effective Grants Management initiative is part of the Corporation for National and Community Service's efforts to provide the best possible support to Learn and Serve America (Learn and Serve) grantees. Created in response to questions and requests from grant managers across the country and based on a careful review of current grants management practices and needs, the initiative is focused on developing easy to understand tools to help grantees navigate the complex world of managing federal grants.

## ***Who is this document for?***

This document is intended for managers of service-learning programs that receive federal Learn and Serve America funds from the Corporation for National and Community Service, and sub-grantees of those programs.

## ***What's a competency?***

A competency is a combination of knowledge, skills and abilities that are required to perform a task or set of tasks. Combined, proficiency in several related core competencies leads to skill and aptitude in a broader field or area. The core competencies that are described here are all important and interrelated. Managing a program and grant effectively requires proficiency in all of the core competencies.

This tool is designed to answer two critical questions. What must I be able to do to manage a Learn and Serve America grant well? What are the "critical few" things that I should know in order to evaluate whether or not my program is at risk of poor performance and management, and reduce those risks?

The eight competencies defined in this document are intended to support you in your efforts to run a high quality program, serve your customers and stakeholders,

and meet the needs of your organization. Understanding these competencies will enable you to improve your program's operations and performance as well as minimize the risk of non-compliance with federal requirements. They are also intended to empower you to take charge of your program's performance and design appropriate changes. It is never too late to take stock!

***What do I do with these competencies? How should I use this document?***

The competencies were developed to stimulate your thinking as a program and grants manager. They are intended to prompt reflection and inquiry, and stimulate change. It is important to point out that there is no easy answer or quick fix – much of sound program management is the result of careful, deliberate, time consuming, and complex work. We hope that you will review these competencies alone and with your management team, and plan specific steps to address the areas of weakness that you identify.

For each of the major core competencies below, a definition is provided that frames what the competency entails, followed by questions to allow you to determine where you are along a continuum from below proficient to proficient to mastery. A glossary of terms and links to resources are also provided to help the reader find more detailed information and guidance. We have intentionally kept it short, but at the same time have tried to provide you with the information you need to effectively manage your grant. This document provides a strategic framework for grantees at different levels of expertise.

There are a number of ways you can use these competencies as part of your planning and program management:

- On your own. As part of your responsibilities as a Learn and Serve program manager, review the core competencies regularly. Think about your strengths and weaknesses, and areas that you might be concerned about. Use the core competencies to inform your interactions with other parts of your organization, to prompt you to ask questions about the roles of others who are involved in the grants management process. Assess your program using the core competencies, and develop a list of things you would like to know more about.
- As a group. Use the core competencies as part of your work with your colleagues. For example, ask members of your team to review the competencies and compare results. Do you agree on areas that might require some additional focus? You could use the competencies as agenda items at staff meetings, examining one or two competencies at each session and developing an action plan based on your conversation.
- With a third party. If you have access to external reviewers or consultants, ask them to examine your organization and Learn and Serve grants management practices using the competencies as a framework. An external facilitator can be

extremely helpful in asking difficult questions that staff might be reluctant to surface.

- As part of a peer review. Peer-to-peer mentoring and collaboration can be one of the most powerful approaches to learning and program improvement. The core competencies can be used to inform a peer review process wherein grantees work together to share best practices and identify issues.
- To prepare for a monitoring visit. While most grantor organizations (federal and state) provide monitoring guidance and questions prior to visiting grantees to review their performance, the competencies can also help you prepare for external oversight. Reviewing your program using the competencies, with an eye to possible questions that an external party might raise, can be extremely useful.
- To inform your relationship with the Corporation for National and Community Service. The core competencies can be used to help frame your discussions with your Learn and Serve program officer regarding oversight and monitoring, and help identify needs for support and guidance from Corporation staff and training providers.

***How do I use the self assessment questions? Aren't there other questions I could ask?***

The self assessment questions included with each competency are intended to guide your thinking. They were culled from much longer lists in an attempt to provide a small, digestible number of critical questions that are fundamental to each competency. The specific needs and circumstances of every grantee differ. You can add questions to capture additional issues and ideas that are important to your management of Learn and Serve resources and program performance, and are encouraged to do so.

***Why is some text underlined?***

Underlined text indicates hyperlinks. In the electronic version, you can enter <control click> to access definitions and resources. Many of the background documents are posted on the Service Learning Clearinghouse website, at [http://www.servicelearning.org/resources/online\\_documents/core\\_competencies/index.php](http://www.servicelearning.org/resources/online_documents/core_competencies/index.php).

***What is happening next with this project?***

This is the first version of the competency document (released in August 2005). It is the Corporation's intent to use it to stimulate discussion with grantees, and then to develop a refined version in 2006. In addition, supporting products, such as a self-assessment tool and guidance on specific topics, are also being developed.

***Can I provide feedback on how to make this a better product?***

Yes, your comments and suggestions are crucial. Please direct questions and comments regarding your grants management needs and support, including feedback regarding the core competencies effort, to Mark Abbott, Associate Director for Grants Management, Learn and Serve America ([mabbott@cns.gov](mailto:mabbott@cns.gov)).



# Top 8 Effective Grants Management Core Competencies

## **Managing Risk**

*I understand what constitutes financial and program risk as it related to my grant, and can characterize my program according to risk assessment principles.*

## **Understanding Federal Requirements**

*I understand all federal requirements that pertain to my grant, including my grant provisions, and have taken steps to ensure they are addressed.*

## **Translating a Proposal into a Program Plan and Using It**

*I have a program plan for implementing my grant and a process to track its progress.*

## **Managing and Administering Sub-grants**

*I have developed a judicious, reasonable, and effective process for selecting and managing sub-grants.*

## **Managing Budget and Finances**

*I understand financial management principles and have a comprehensive system for organizing financial statements, managing and documenting costs, and ensuring internal controls.*

## **Using Management Systems**

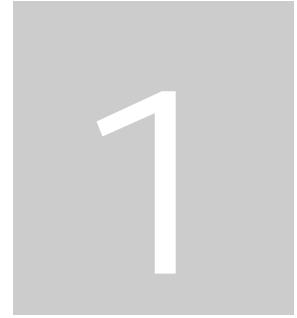
*I have an organizational structure for managing my grant that produces results, ensures coordination, and builds accountability.*

### **Keeping Records and Documenting Progress**

*I understand documentation needs and requirements and am meeting them with regularity.*

### **Addressing Weaknesses**

*I have addressed prior programmatic and financial weaknesses, and I continue to review my program's performance and make mid-course corrections as needed.*



## Managing risk

*I understand what constitutes financial and program risk as it relates to my grant, and can characterize my program and sub-grantees according to risk assessment principles.*

### Definition

A risk is any uncertainty about a future event that threatens your organization's or program's ability to accomplish its mission. With regard to these core competencies, risk also applies to events or actions that may prevent you from managing your Learn and Serve grant according to its intent and requirements. A Learn and Serve grantee should be able to identify circumstances that increase the organization and program's potential risks and manage their programs to prevent those risks from occurring. [Risk management](#) involves identifying the probability that some future event or action will cause losses or harm in a program, analyzing and assessing those risks, and developing a plan that includes appropriate strategies and controls to manage them.

***Managing risk isn't just part of federal oversight – Learn and Serve grantees can identify sources of their potential financial and programmatic risks and take steps to reduce them.***

An effective [risk management plan](#) for Learn and Serve grantees works to limit the potential for losses by providing adequate training, supervision, screening and monitoring of programs, and a close look at relevant program operations. Learn and Serve grantee organizations may want to characterize themselves as high-risk, moderate-risk, or low-risk programs and then develop an appropriate

plan to match their level of risk. A high-risk grantee is a grantee with a history of unsatisfactory performance, a [financially unstable](#) grantee or one with a management system that does not meet management standards, or has not conformed to terms and conditions of previous awards.

### Self Assessment

- Have I identified the potential risks in my program – i.e., areas where I might be vulnerable to problems?

- Do I assess my programs' risks regularly and document them?
- Do I prioritize the risks to my program on a regular basis?
- Do I use a risk-based strategy to assess and manage the risks of my sub-grantees?
- How do I involve experts in every program area to assist in developing a plan to manage my risks?
- Does my risk management plan include strategies to mitigate my risk factors?
- Do I have a plan for monitoring implementation of my risk management plan?

**For More Information**

*As a manager of federal funds, do I know where my financial and programmatic weaknesses might lie?*

- [Corporation for National and Community Service Risk Assessment Criteria](#) – These are the criteria used by the Corporation to assess whether grantees might be considered at risk. They do not mean a grantee *is* necessarily high risk, but rather that grantees with these characteristics are more likely to encounter difficulties. Conversely, grantees who do not fit into these categories can be high risk also.
- [General Assessment](#) – This is a detailed assessment that can be used for grantees both to conduct self-assessments of their organization and to gather information about sub-grantees. You will need to have someone with a financial background review the completed assessment and materials. For the grantee, utilizing a board member or other knowledgeable volunteer with a fiscal background to complete this is a suggested method to review your organization. If you are using this tool to assess your sub-grantees, have staff from your fiscal department assist you with the review.
- [Fiscal Review Tool 6.2005](#) – This Financial Management Self-Review Model was designed to assist organizations in assessing their level of compliance in managing Corporation grants and agreements. The model is structured in the form of procedures that an auditor might apply during the performance of an audit of a typical Corporation grant or agreement. The model focuses on key elements of the grant(s) that might be most vulnerable. The model is structured to be used by someone who has a basic understanding of financial management and, to some extent, knowledge of the specific grant award requirements. Board members or others with a financial background might be ideal candidates to use

## CORE COMPETENCIES

this tool in reviewing and assessing the organizations compliance with Corporation for National and Community Service regulations.

- [Risk Assessment](#) and [Risk Assessment II](#) – These are tools that grantees can use to review their sub-grantees and assess the various risk levels of their grant portfolios.
- [Risk Management and Liability Fact Sheet](#) provides information about risks and liability.

## 2

## Understanding federal requirements

*I understand all federal requirements that pertain to my grant, including my grant provisions, and have taken steps to ensure they are addressed.*

### Definition

By accepting Learn and Serve grant funds, grantees agree to comply with the general and special [grant provisions](#) and all applicable federal statutes, regulations, and guidelines. The grantee also agrees to operate the funded program in accordance with the approved grant application and budget, supporting documents, and other representations made in support of the approved program. The federal requirements that govern your grant include grant-specific requirements, relevant [federal regulations](#), and the applicable [OMB circulars](#). Grant provisions (terms and conditions) are supplemental guidance to your grant award that contain specific and general requirements for the grant. Your [notice of grant award](#) will reference the applicable version of the provisions.

***Learn and Serve's grant provisions and the OMB circulars provide critical information to ensure grant requirements are met.***

The grant provisions provide guidance to all aspects of Learn and Serve grantee program development and administration, and they are the grantee's first stop for understanding federal requirements that pertain to each grant and for problem solving and grant related questions. They specify, for example:

- Applicable statutory and administrative provisions
- Responsibility for administering the grant
- Financial management provisions
- [Administrative costs](#)
- [Allowable costs](#)
- [Retention of records](#)
- [Matching requirements](#)
- Learn and Serve America affiliation specifications.

### Self Assessment

- Have I thoroughly reviewed my Notice of Grant Award? Do I understand its provisions?
- Am I familiar with the grant provisions, particularly those related to reporting requirements, allowable costs, and matching funds? Am I in full compliance?
- Have I familiarized myself with the relevant federal regulations that apply to my grant? Am I in full compliance?
- If I have questions or concerns, have I raised them in a timely manner to the appropriate local, state, or federal officials?
- Do I know which OMB circulars are applicable to my program and sub-grantees and understand how to use them? Am I in full compliance with those requirements?
- Do I know who else in my organization is responsible for implementing parts of the grant provisions and is my work coordinated with theirs?

### For More Information

- The applicable federal regulations are found in the Office of Management and Budget (OMB) Circulars, <http://www.whitehouse.gov/omb/circulars/>. Program specific grant provisions and regulations are available on the website for the Corporation for National and Community Service at [http://www.learnandserve.gov/for\\_organizations/manage/index.asp](http://www.learnandserve.gov/for_organizations/manage/index.asp) or from state commissions. These provisions cover many of the competencies explained in this document.
- [Accountability Checklist & Accountability Checklist – Short Form](#) – This is a PDF file regarding governance that includes a checklist for accountability.
- [Documentation & In-kind Donations Learn and Serve](#) – This is a PowerPoint presentation that provides information relating to properly documenting expenses and in-kind donations.
- [Glossary of Fiscal Terms](#) – Detailed list of fiscal terms that one might come across reading the regulations, OMB Circulars, or reading other fiscal materials.

*The National Service Learning Clearinghouse ([www.servicelearning.org](http://www.servicelearning.org)) is a great resource for information about all aspects of Learn and Serve programs.*

## CORE COMPETENCIES

- [OMB Demystified - Learn and Serve](#) – A PowerPoint presentation that provides information about the Office of Management and Budget and the various circulars important to grants management.

## Translating a Proposal into a Program Plan and Using It

*I have a program plan for implementing my grant and a process to track its progress.*

### Definition

A program plan is a detailed map for implementing your Learn and Serve grant that describes your goals and objectives as well as how you will meet them and measure performance. Your first step in developing a program plan should be to specify a clear, concise mission statement. The mission statement should explain your program's purpose and should motivate all stakeholders in your program to pursue it. The program plan should build on the mission statement to explain the purpose of the program more specifically, define goals and objectives for the program to achieve, and include steps and strategies for implementing the plan. The program plan should include measurable outcomes and performance measures. It is also helpful to develop a timeline and milestones for program implementation to keep the program moving towards your intended objectives.

***Planning effectively and then using the plan to guide action is critical to a well-managed grant.***

The program plan should identify what skills and tools are necessary to accomplish program goals and who should be involved in each facet of the program. Learn and Serve grantees should involve key stakeholders in developing the plan, particularly in defining goals,

objectives, strategies, and measures for the program. Early involvement will help build support for your program among your stakeholders and the additional perspectives and expertise will improve the quality of your plan.

A crucial component of a Learn and Serve program plan is the link between program goals and specific intended outcomes—how will your program achieve your intended outcomes, and what is your strategy for measuring performance? Learn and Serve grantees' goals and objectives should align with participant learning outcomes, community service outcomes, and other performance measures. The program plan should specify a system for measuring outcomes and monitoring and

reporting progress in achieving them. Finally, the program plan should include a detailed [budget](#) that allocates funding for all program activities, including monitoring and evaluation.

### Self Assessment

- Have I clearly defined the program’s mission?
- Have I specified goals, objectives, intended outcomes and timelines for meeting goals?
- Have I involved key stakeholders in the planning process?
- Have I developed a plan for implementing and monitoring my program?
- Have I developed a plan for measuring program outcomes and reporting on their progress?
- Have I clearly defined my budget, tied it to my program operations, and established a system for tracking it?
- Have I communicated my program goals and budget to Learn and Serve staff?

*Organizations frequently struggle to align plans, budgets, and day-to-day performance.*

### For More Information

- [Performance Measurement Toolkit for Program Applicants](#) – Provides information from Learn and Serve about the development and use of performance measures.
- [The Resource Connection: Starting Off Right: Corporation for National Service Programs](#) – Provides guidance for Corporation grantees, including Learn and Serve programs, for overall management of their federal grants.



## Managing and Administering Sub-grants

*I have developed a judicious, reasonable and effective process for selecting and managing sub-grants.*

### Definition

A [sub-grant](#) is an award in the form of money or property made under a grant by a grantee to an eligible recipient called a sub-grantee. Sub-grantees retain their Learn and Serve identity, and sub-grantees must follow all Corporation for National and Community Service rules and regulations. Grantees are responsible for monitoring and reporting on all their sub-granting activities and are ultimately responsible for managing sub-grantee funds.

***The sub-granting process and the character of sub-grantee performance is a frequent issue for Learn and Serve grantees.***

A competitive process for selecting sub-grantees ensures that all sub-grantees are evaluated fairly and that the highest quality applicants are selected. Grant announcements including [application guidelines](#) and selection criteria should be published and disseminated as widely as possible to ensure the greatest pool of

applicants. Application guidelines should be clearly written and provide all necessary information for sub-grantees to complete an application. The sub-grant selection process should include a [peer review](#) process to evaluate and select sub-grantees. Reviewers should prepare a written justification for the selection of all awardees based on the selection criteria.

Managing sub-grantee funds and programs is a key grantee responsibility. Learn and Serve grantees should develop a risk-based monitoring system to ensure adequate oversight of all sub-grantee funds. Learn and Serve grantees should communicate compliance and reporting requirements, including all [grant provisions](#) to their sub-grantees. Providing sub-grantees with the training they need to implement strong programs is a major component of sub-grant management. To help design effective training and technical assistance efforts, Learn and Serve grantees should conduct a formal or informal [needs assessment](#) and then develop a plan for providing training,

technical assistance, and conducting site visits. This plan should include strategies for linking sub-grantees to networks and sharing ideas.

### **Self Assessment**

#### *Sub-grant Selection*

- Have I clearly written application guidelines and selection criteria?
- Have I used a number of avenues to disseminate the grant announcement as widely as possible?
- Have I published and disseminated sub-grant selection criteria?
- Have I designed a peer review process to evaluate sub-grant applications?

#### *Sub-grant Management*

- Am I using risk-based principles for assessing my sub-grantees?
- Have I developed and implemented a risk-based monitoring system to monitor sub-grantees?
- Have I conducted a needs assessment to inform training, technical assistance and site visits?
- Have I developed a plan for communicating with sub-grantees and providing training and technical assistance?

### **For More Information**

- [Monitoring Tool](#) – Sample monitoring document for sub-grantees site visits.
- [Monitoring Planning - Risk Assessment](#) – Monitoring review and planning documents to prepare for sub-grantee site visits.
- [Pre-visit Checklist](#) – Form to complete prior to conducting a site visit that provides background information.
- [Policy & Procedures Questionnaire](#) – Checklist to review a sub-grantees Policies and Procedures to ensure that they have the appropriate systems documented.
- [Tips for Managing Sub-grants](#) – Managing Sub-grants: Advanced, materials from Learn and Serve America Grantee Meeting, November 8, 2004.



## Managing Budget and Finances

*I understand financial management principles and have a comprehensive system for organizing financial statements, managing and documenting costs, and ensuring internal controls.*

### Definition

Learn and Serve grantees must employ sound financial management practices in implementing their grant – practices that effectively manage program funds and provide for accurate, complete, and current disclosure and documentation of the financial results of the Learn and Serve program.

***“The competencies were extremely useful in helping my colleagues and me focus on aspects of our work that we don’t always have time to discuss.”***

***-LSA grantee***

Accounting systems must meet Generally Accepted Accounting Principles ([GAAP](#)) requirements. Learn and Serve grantees should have an adequate system of [internal controls](#), which is documented and reviewed annually. All managers should be informed of planned and actual expenditures in their areas of responsibility.

Learn and Serve grantees’ system of cost management should include fiscal and programmatic components as well as [cost allocation](#) and monitoring. Managing costs includes the process of identifying all the costs associated with the grant, making informed choices about the options that will deliver the best value for grant expenditures, and managing and documenting those costs throughout the life of the project. The Learn and Serve grantee’s [budget](#) is the blueprint for cost management. The budget should be guided by the grantee’s proposal and should include all direct and indirect costs. In addition, all Learn and Serve grantees that are required to do so should have an [audit](#).

Grants managers and other personnel, as appropriate, are responsible for knowing all Learn and Serve-specific financial and grants management guidance and provisions. These include managing and documenting costs, and the planning, co-ordination,

control and reporting of all cost-related aspects from project initiation to operation, maintenance, and close-out.

Your annual budget should align with available resources, include staff input, support programs, administration, and evaluation. Learn and Serve grantees should adhere to the budget approved in the grant award with assistance from an advisory board or committee that oversees the budget. Grant provisions provide guidance regarding changes to your budget. Grantees have flexibility to make adjustments within those parameters of up to ten percent of their total grant amount without prior approval.

Cost management also entails understanding and following [cost principles](#) pertaining to [match](#), [allowable costs](#), and indirect costs. Learn and Serve grantees should have a plan for obtaining funding and other resources, including match contributions, from other sources.

Learn and Serve requires matching funds to ensure that Learn and Serve grantees are building community support and sustainability for their programs.

***Questionable financial procedures can sink a grant regardless of its programmatic value.***

Financial management also entails having effective systems for [competitive bidding](#) of contracts and procurement. OMB grant policy circulars require that federal grantees maintain a procurement system that is ethical, promotes full and open competition, and reaches out to women and minority-owned businesses.

### Self Assessment

- Does my annual budget allocate funding for support programs, administration, evaluation, and include funding from other sources?
- Is my annual budget tied to my objectives and goals?
- Can I readily obtain my organization's budget, my program budget, and my sub-grantee budget?
- Do my accounting systems meet GAAP requirements and account for the separation of federal funds?
- Do I understand and follow principles pertaining to allowable, direct, and indirect costs?
- Do I document all program-related funds and costs, including systems for clearly tracking expenditures that should be allocated to the Learn and Serve grant?

## CORE COMPETENCIES

- Do I have a monthly report that tracks expenditures against the budget to ensure I am not exceeding federal caps?
- Does my system of internal controls include appropriate checks, balances, and review, including segregation of duties?
- Do I have a plan for obtaining matching funds and for program sustainability after the end of the grant period?

### **For More Information**

- [Fiscal Visit Checklist](#) – A questionnaire for conducting a site visit or program review.
- [Links for Financial Management Resources](#) – Places to go for more information about financial management.
- [Ten Great Ways to Meet Your Match](#) – List of both cash and in-kind match to assist grantees and sub-grantees in meeting their match.



## Using Management Systems

*I have an organizational structure for managing my grant that produces results, ensures coordination, and builds accountability.*

### Definition

A management structure or system is a grouping of people and processes that act together to achieve a common goal or set of objectives. Organizations are theoretically designed and structured in order to achieve these objectives in the most efficient and effective manner. A good organizational structure helps you to implement your program effectively. There are many types of effective management structures that Learn and Serve grantees may adopt, but all effective structures share some common characteristics. They include a clear delineation of roles and responsibilities that are communicated to all staff members.

***Really good grants management and fiscal and program performance derive from strong organizational and management practices.***

Management systems are designed to provide effective means of organizing and delivering program services, and of providing oversight of program activities and grant funds. Effective management structures are guided by [written policies and procedures](#) that are accessible to all staff. They also provide for regular communication among different parts

of the organization and ensure that all personnel are informed of the organization's mission, activities, and any news or events. Managers should ensure that staff understand their role in the organizational structure, and how their unit or department fits within the larger organization. Effective management structures depend on the use of appropriate technology for communication and the sharing and storing of information. Finally, an effective management structure has a comprehensive human resources plan that reduces the possibility of increase in program or financial risk when there is staff turnover. The human resources plan should include approaches for training new staff in their program and administrative responsibilities, including uses of relevant technology, evaluating employees, and providing regular feedback to employees on their performance. It then uses this information to design staff development programs.

### **Self Assessment**

- Does the organizational structure include a clear delineation of roles and responsibilities?
- Have I developed written policies and procedures to guide program management and communicated them to staff members?
- Have I created avenues for oversight and regular communication among different parts of the organization?
- Have I provided cross training and established systems that provide for back up in cases of staff absentees or other emergency situations?
- Have I provided sufficient staff training in the uses of relevant technology?



## Keeping Records and Documenting Progress

*I understand documentation needs and requirements and am meeting them with regularity.*

### Definition

Learn and Serve grantees should document all policies and procedures throughout the grant process to ensure adherence to all grant requirements and provisions as well as facilitate continuity in program operations. Documentation also helps the grantee stay organized. Important documents to maintain in a filing system include the [notice of grant award](#), grant amendments, the original grant application, documents from sub-grantees, the program budget, all expenditures, correspondence with Learn and Serve staff, financial reports, program progress reports, and audit and project closeout documentation. All expenditures should be appropriately

***Among frequent problems is the lack of adequate and timely documentation that demonstrates compliance.***

documented (i.e., brief descriptions, agendas, reports, etc.) in a manner that supports why the transactions are allowable under the Learn and Serve grant. Learn and Serve grantees should retain financial records three years from the date of submission of the final Financial Status Report, and if there is an on-going audit,

three years from the final audit resolution.

### Self Assessment

- Have I set up a system for organizing important grant-related documents?
- Can I easily access financial reports and program progress reports?
- Have I kept all budget and expenditure-related documentation?
- Do I have documentation to support all policies and procedures?

**For More Information**

- [Documentation & In-kind Donations](#) – This is a PowerPoint presentation that provides information relating to properly documenting expenses and in-kind donations.
- [Reporting and Records Retention](#) – *The Insider's Guide to AmeriCorps Program Management*. was developed for Americorps and has great tips for Learn and Serve too.



## Addressing Weaknesses

*I have addressed prior programmatic and financial weaknesses, and I continue to review my program's performance and make mid-course corrections as needed.*

### Definition

Organizations are often subject to internal and external reviews, including audits. If your organization has expenditures over a specified limit (see [OMB Circular A-133](#)), you must have an independent financial audit, or “single audit.” A “single audit” is an audit of your entire organization. The auditor will conduct a financial examination of your grant receipts and expenditures as well as a compliance review to determine whether you are meeting grant terms and conditions. Sometimes an auditor will report audit findings, which are problems or issues related to how you spent grant funds or complied with the terms and conditions of a grant. All audit findings should be addressed.

***“These competencies would have been very useful to me as a new program manager – now they serve as a gentle reminder of my responsibilities.”***

***- LSA grantee***

If your organization is not required to have an audit, your review should still include audits of the larger organization or department to which you belong (if you are part of a larger organization) and any partner organizations that you work with. Learn and Serve grantees should also review any prior internal reviews or other assessments of their organization’s fiscal or programmatic management and be sure to address all findings.

Finally, as a Learn and Serve grantee, you should be engaged in a continuous process of self assessment, reviewing both financial and programmatic aspects of your organization’s performance and making midcourse corrections as needed.

### Self Assessment

- If my organization is required to do so, have I had or arranged for an independent financial audit?

## CORE COMPETENCIES

- Have I reviewed and addressed my organization's prior audit findings? Are there recurrent findings that I have not addressed?
- Have I reviewed and addressed any audit findings that pertain to the larger organization or department to which my organization belongs or any partner organizations that we work with?
- Have I followed my states' guidelines for public charities?
- Have I reviewed any other reports or assessments of my organization's fiscal or programmatic performance including reports from site visits?
- Do I regularly review my organization's performance and make mid-course corrections as needed?



## Common Compliance Issues

**M**ost Learn and Serve grantees put forth a great deal of effort to manage high quality programs. However, there are a few areas where many grantees could use some assistance and information to ensure that they are adhering to Learn and Serve program requirements. The following issues denote areas of frequent concern to grantees and/or areas of frequent noncompliance:

- Keeping records
- Meeting and documenting match
- Appropriately managing and recording time and attendance
- Establishing sub-grantee agreements
- Ensuring all sub-grantee expenditures are allowable under terms of the grant
- Providing sufficient sub-grantee oversight
- Developing and monitoring budgets as they relate to actual expenditures and program goals

*Help is available through training and technical assistance, web-based resources, and consultation with Corporation staff to help grantees avoid common compliance problems.*



## Definition of Terms

**A-133 Audit** – An audit required under OMB Circular A-133 of State, local government, and non-profit organizations that have expended over \$500,000 in federal funds during a given fiscal year. Under A-133, the auditor looks for compliance with general and specific government audit requirements and internal control procedures, also insuring that adequate systems are in place for complying with the specific requirements related to the federal award expended by the organization being audited. Additional information can be found in the [OMB A-133](#) circular subpart B entitled audit requirements.

**Administrative Costs** – General expenses related to the overall function of an organization. Examples of administrative costs include accounting, financial auditing, general legal, general insurance, and internal organization-wide evaluations. Administrative costs are limited by statute, and cannot exceed 5% of Corporation funds actually expended under the award. Additional information on this topic can be found in the [grant provisions](#) section 9 entitled, “administrative costs”.

**Allowable Cost** – A cost is considered allowable under a grant if it:

- is reasonable, budgeted for, meets generally accepted accounting principles,
- complies with OMB circulars,
- is not charged against any other grant or used to match other grant funds,
- is treated consistently with other costs incurred by the organization, and
- is documented.

Additional information on allowable costs can be found in the [OMB cost principles](#) (for your particular type of organization – *A-21* for educational institutions; *A-87* for State, local and Indian Tribal governments; *A-122* for non profit organizations) located in Attachment A, General Principles, Basic Considerations.

**Application Guidelines** – Sections included with the grant application that outline the expectations of an effective program. The guidelines request both a complete description of the activities to be undertaken with the grant and performance measures to determine whether goals are met. When the Corporation is seeking

grant applications, grant application guidelines are provided on their website at [http://www.nationalservice.gov/for\\_organizations/funding/index.asp](http://www.nationalservice.gov/for_organizations/funding/index.asp).

**Budget** – A financial plan of action that is based on organization’s objectives and historical costs. It is a mechanism to ensure that actual costs do not exceed planned amounts, and for matching expenditures with program plans. Additional information can be found in the application guidelines as well as the grant provisions, where there is a section entitled “budget and programmatic changes”.

**Competitive Bidding of Contracts and Procurement** – As outlined in the Corporation regulations, when federal money is expended, all procurement transactions should be conducted in a manner characterized by open and free competition to the maximum extent possible. The procedures state that organizations should follow the same policies and procedures it uses for procurements from its non-Federal funds, as long as they are allowable under the regulations. Specific information can be found 45 CFR 2541.360, which is found at [http://www.nationalservice.gov/pdf/45CFR\\_chapterXXV.pdf](http://www.nationalservice.gov/pdf/45CFR_chapterXXV.pdf).

**Cost Allocation Plan** – A narrative description of the procedures and methodology that will be used in identifying, measuring, and allocating all costs to the programs administered by the organization. Additional resources on this topic are found in the OMB Cost Circulars (for your type of organization) attachment A, General Principles, Basic Concepts.

**OMB Cost Principles** – The circular that establish principles to determine the allowable costs incurred by an organization under grants agreements. The purposes of these principles are designed so that Federal awards bear their fair share of cost recognized under these principles. There are different circulars for different types of organizations, A-21, Educational Institutions; A-87, State and Local Governments and A-122, Non-Profit Organizations.

**Federal Regulations** – Policies and procedures established by various federal agencies under which organizations doing business with the Federal government must operate. Grantees are required to follow certain OMB circulars, the codified rules of the Corporation for National and Community Service, its grant provisions and guidance. The Corporation posts its regulations on the website [http://www.nationalservice.gov/about/role\\_impact/history.asp](http://www.nationalservice.gov/about/role_impact/history.asp).

**Financial Instability** – Refers to an organization’s inability to consistently to pay its debts as they mature. Organizations that carry high levels of debt relative to assets are at higher risk of financial instability because more of their assets will be required to meet these obligations. Creditors will often use the amount of “working capital” as an indicator of financial instability. Working capital is the excess of total current assets over total current liabilities.

**Generally Accepted Accounting Principles (GAAP)** – Conventions, rules and procedures that define general accounting practice, including broad guidelines as well as detailed procedures. Additional information can be found on the web at <http://www.cpaclass.com/gaap/>. For further information about GAAP see your controller or state auditor’s office. These principles are what your CFO uses to prepare your financial statement and govern your financial operations.

**Grant Provisions** – Terms and conditions that provide supplemental guidance to your grant award, and that contain specific and general requirements for the grant. By accepting the grant, the grantee agrees to comply with all of the rules and regulations therein. The grant provisions can be found at the Corporations website at [http://www.learnandserve.gov/for\\_organizations/manage/index.asp](http://www.learnandserve.gov/for_organizations/manage/index.asp).

**High Risk Grantees Characteristics, examples:**

- History of poor programmatic performance— organization failed to meet performance objectives for more than one year.
- Financial instability—organization has had difficulty meeting financial obligations for two quarters or more.
- Large grant in relation to [operating budget](#)—your grant is 50% or more of your operating budget.
- Large increase in a grant amount or sub-grant amount—your grant award or sub-grant award increases by 50% or more from the prior year.

Strategies for managing risk may include regular review of progress reports, oversight and monitoring of grantee program and financial performance, and sub-grantee reimbursement analysis.

**Internal Control System** – A system of policies and procedures for an organization that are an integral part of sound financial management. It includes various methods to safeguard assets, ensure reliability of accounting data and comply with management policies, funding conditions, and ensure compliance with the mission and ethical standards.

**Matching Requirements** – Grantees must provide and account for matching funds as approved in the application and budget. All programs are encouraged to seek non-federal funds for this matching support. Contributions of cash or third-party in-kind contributions, consistent with required guidelines, can be accepted as match. Additional information can be found in the *Learn and Serve Grant Application or in the Grant Provisions, Section 16 “Matching Requirements”*.

**Needs Assessment** – The rationale for a proposed grant, based on review of the compelling areas which can be addressed by the grant and/or service. Assessment of need should be supported by supported by evidence, community assessments, or other reliable measures.

**Notice of Grant Award** – Informs a grantee or sub-grantee of the approval of a grant award. The notice includes key information for the operation of the grant by providing notification to the grantee organization of its grant number, amount of award, program grant period, and budget period. Your notice of grant award will be delivered electronically through eGrants, [www.cns.gov/egrants](http://www.cns.gov/egrants).

**OMB Circulars** – Government-wide policies and procedures issued from the Office of Management and Budget. The circulars are available at website address [www.whitehouse.gov/omb/circulars/index.html](http://www.whitehouse.gov/omb/circulars/index.html). Note there are different circulars that apply to nonprofit organizations, colleges and universities, and state, local and tribal governments.

**Operating Budget** – The expenditures required of an organization to satisfy a particular mission or mandated purpose over a specified period.

**Peer Review Process** – When outside experts from the community, service practitioners, educators, former national service participants, and other specialist evaluate the quality of an organization, program, project, or application.

**Retention of Records** – The keeping of records by an organization for review in the future. The Corporation requires grantees to retain and make available all financial records, supporting documentation, statistical records, evaluation data, participant information, and personnel records for three years from the date of the submission of the final Financial Status Report (SF 269A) as required by the Learn and Serve grant provisions Section 15, entitled Record Retention.

**Risk-Based Monitoring System** – Uses a predetermined methodology to determine potential financial loss by an organization to set the level of monitoring of that organization by another. Once set, the level is reevaluated based on significant changes within the organization or at scheduled intervals. It is often used by grantors to design monitoring programs of grantees.

**Risk Management Plan** – A plan to work to limit potential programmatic and financial losses and problems. In addition to identifying potential risks, the risk management plan provides specific strategies for reducing them, including training, changes to financial procedures and management systems, strengthening of internal controls, expanded supervision and oversight of sub-grantees, and other means. The plan should include definition of risks to be reduced, activities and initiatives to address them, process for measurement and an implementation timeline.

**Sub-grant** – Some direct grantees of the Corporation for National and Community Service, i.e., state commissions and national directs, have been vested with authority by the Corporation to distribute awarded funds to other organizations. These organizations become the “sub-grantee” and must comply with the regulations outline by the direct grantee.

**Written Policies and Procedures** – Documented standards and practices of an organization. Policies provide the framework and requirements for influencing decisions and actions by the organization, as well as provide context for detailed planning. Procedures describe standardized courses of action to achieve a desired result or complete an activity within the organization.



## Review of Office of Management and Budget Circulars

### For Administrative Requirements

OMB Circular A-102—for states, local governments, and Indian Tribes, 45CFR2541  
OMB Circular A-110—for educational institutions and non-profit organizations, 45CFR 2543

Relevant Sections:

- 2541.200 Standards for financial management systems.
- 2541.210 Payment.
- 2541.220 Allowable costs.
- 2541.230 Period of availability of funds.
- 2541.240 Matching or cost sharing.
- 2541.250 Program income.
- 2541.260 Non-Federal audit.

### For Audit Requirements

OMB Circular A-133

Relevant Sections:

Subpart B-Audits

- \_\_\_200 Audit requirements.
- \_\_\_205 Basis for determining Federal awards expended.
- \_\_\_210 Subrecipient and vendor determinations.
- \_\_\_215 Relation to other audit requirements.
- \_\_\_220 Frequency of audits.
- \_\_\_225 Sanctions.
- \_\_\_230 Audit costs.
- \_\_\_235 Program-specific audits.

*(more)*

## For Cost Principles

OMB Circular A-87—for states, local governments, and Indian Tribes

Relevant Sections:

Sections 1-43, Attachment B—Allowable costs—state/local wide central service costs-compliance-requirements-selected items of cost  
Attachment B-paragraph 22—Allowable costs-state/local-wide central service costs-compliance requirements-billed central service costs  
Attachment B-paragraph 8.h—Allowable costs-suggested compliance audit procedures-state/local department or agency costs—direct and indirect-special audit procedures for state/local department or agency, ICRPS—  
Testing of the ICRP—Other procedures

OMB Circular A-21—for educational institutions

Relevant Sections:

3-B-27; 4.a(10), Allowable Costs—Direct Costs—Suggested Compliance Audit Procedures  
3-B-32-33; 4.c(2)(e)(i), (ii)(iii),(iv), Allowable Costs-Indirect Costs—Suggested Compliance Audit Procedures  
3-B-33;4.c(2)(e)(vi), Allowable Costs—Indirect Costs—Suggested Compliance Audit Procedures  
3-B-33; 4.c.(2)(f)(i), Allowable Costs—Indirect Costs—Suggested Compliance Audit Procedures  
3-B-33; 4.c.(2)(g)(ii), Allowable Costs—Indirect Costs—Suggested Compliance Audit Procedures  
3-B-38: 4.f, Allowable Costs—Special Requirements—Cost Accounting Standards and Disclosure Statements—Suggested Compliance Audit Procedures

OMB Circular A-122—for non-profit organizations

Relevant Sections:

3-B-43; 2., Allowable Costs-General Criteria—Selected Items of Cost  
3-B-55; 1.a, Allowable Costs-Special Requirements-Unallowable Direct Costs-Compliance Requirements

45 CFR 2543

Relevant Sections:

2543.20 Purpose of financial and program management.  
2543.21 Standards for financial management systems.  
2543.22 Payment.  
2543.23 Cost sharing or matching.  
2543.24 Program income.  
2543.25 Revision of budget and program plans.  
2543.26 Non-Federal audits.  
2543.27 Allowable costs.  
2543.28 Period of availability of funds.