

**Frequently Asked Questions
Fixed-Amount Grants Pilot
Foster Grandparent Program and Senior Companion Program**

The Serve America Act authorized the Corporation for National and Community Service (the Corporation) to conduct a Fixed Amount Grants pilot in 2011 for the Senior Companion Program (SCP) and Foster Grandparent Program (FGP). Fixed amount grants allow grantees to apply for a standard unit cost per Volunteer Service Year (VSY). To be eligible for the fixed amount grant pilot, you must be seeking a renewal of your grant for a new three year cycle.

The total amount of a fixed amount grant must be significantly less than the cost of running a project. Grantees must pay the specified cost reimbursements and follow the FGP and SCP regulations as stipulated in the terms and conditions of the grant award.

The maximum levels for 2011 pilot fixed amount grants are shown in the table below:

| Program | Maximum Federal Contribution per VSY |
|----------------------------|---|
| Foster Grandparent Program | \$4,600 |
| Senior Companion Program | \$4,550 |

Question 1: What type of grant do I currently have for my FGP or SCP grant?

Answer: You currently have a “cost reimbursement grant.” Most Federal grants are cost reimbursement grants. Under cost reimbursements, grantees have an approved line item budget. The grant funds can only be spent on costs in the approved budget that are allowable under the OMB Cost Principles that apply to the grantee. Grantees can draw funds from their grant accounts in the Payment Management System (PMS) at the Department of Health and Human Services based on expenditures under the grant.

Question 2: What is a fixed amount grant?

Answer: With a fixed amount grant, the grantee does not have an approved detailed budget in the grant award nor specific restrictions on the use of the grant funds. The grant funds are assumed to be used for allowable costs because the amount of the grants will be significantly less than the cost of operating the project. Fixed-amount award grantees will receive an award for a specific amount per VSY. Failure to achieve the approved VSY level may result in a reduction in the grant. The OMB Cost Principles and certain sections of the program regulations are not applicable to fixed amount grants.

Question 3: What are the advantages of fixed amount grants?

Answer: Grantees have fewer requirements to the granting Federal Agency with respect to financial reporting. Fixed amount grants are exempt from the OMB Cost Principles, which means that the amount of the Corporation award is not based on a line-item budget and grantees are not required to maintain documentation to support the allowability of expenditures charged to federal or non-Corporation support (required or

excess) grant funds for this fixed amount grant. You should, however, maintain the documentation for other financial reporting requirements such as, Audits (internal and external), OMB Circular A-133 Audits, tax reporting requirements, and any state or local reporting requirements your organization may be responsible for. Our waiver of the documentation requirements does not relieve you of your responsibility to maintain records and documentation that may affect Generally Acceptable Accounting Principles (GAAP) and reporting requirements of other grant and non-grant reporting entities.

In summary, the advantages are:

- Cost Principles do not apply
- No tracking or documentation of Corporation and non-Corporation support is required
- Line Item budgets are not required during application process
- Limited financial reporting to the Corporation is required; the semi- annual FFR (SF 425) is not required. Only the final FFR is required at the end of the performance period.

Question 4: What are the disadvantages of fixed-amount grants?

Answer: Under a fixed-amount grant, grantees can only draw all of the funds awarded if the approved VSY level is achieved. If the approved VSY level is not achieved, but the entire grant has been drawn down, the grantee is required to repay the Corporation.

Question 5: What requirements still apply under fixed-amount grants?

Answer: All of the requirements and regulations related to the Senior Companion and Foster Grandparent Programs still apply, with the exception of requirements specific to cost reimbursements.

Grantees should refer to the appropriate program regulations and grant terms and conditions that describe all requirements, including:

- Income eligible Senior Companions and Foster Grandparents must receive a stipend of \$2.65 per hour
- Senior Companions and Foster Grandparents receive the Corporation specified minimum level of insurance (accident insurance, personal liability insurance, excess automobile liability insurance)
- Senior Companions and Foster Grandparents receive assistance with the cost of transportation to and from volunteer assignments and official project activities. SCP/FGP members will be provided assistance with the cost of meals taken while on assignment
- Recognition for their service
- Senior Companions and Foster Grandparents receive a physical examination prior to assignment and annually thereafter
- Documentation related to eligibility and criminal background checks must be confirmed and maintained

- Time-keeping systems must be in place to track volunteer service hours
- Appropriate program management and supervision must be provided
- Program design is of paramount importance
- Performance measures will be carefully scrutinized

Grantees are still subject to the Uniform Administrative Requirements and the Single Audit Act (if it is otherwise applicable). If necessary, the Corporation will make some changes to the terms and conditions of individual awards related to program income (See Question #10 for more information).

Question 6: What Current Regulatory Provisions will not apply to fixed-amount grants?

Answer: The provisions of **45 CFR 2551.92** and **45 CFR 2552.92** (relating to project funding requirements) will not apply except for subsection (d) concerning audits and subsection (f) requiring sponsors to pay stipends at the rate established by the Corporation.

Also, the provisions of **45 CFR 2551.93** and **45 CFR 2552.93** (relating to grant costs) will not apply. These include:

- The OMB Principles referenced in **2551.93(a)(4)** and **2552.93(a)(4)**
- Subsections **2551.93(c)(g)** and **2552.93(c)(g)**, and
- Subsection **2551.93(h)(3)** and **2552.93(h)(3)**

Question 7: How does the Corporation determine the maximum fixed amount of Senior Companion and Foster Grandparent grants?

Answer: The statute requires the Corporation to establish a fixed amount that is “significantly less than the reasonable and necessary costs of administering the program supported by the grant.”

To set the 2011 pilot levels, the Corporation considered several factors to determine the “significantly less” amounts. We analyzed program budgets for 2010 Corporation funded FGP and SCP and reviewed:

- The total budgeted cost per VSY
- The CNCS budgeted cost per VSY
- The actual budgeted non-Corporation support (both required and excess)

Using the information, we established a per VSY cost for each program. The VSY cost includes the maximum Federal contribution per VSY. The Corporation will review the levels for fixed amount grants annually to determine if the amounts should increase, based on the data elements listed above, administrative cost increases, stipend increase, etc. to determine appropriate levels.

Question 8: May a grantee apply for a fixed amount grant with a lower amount than the Corporation specified amount?

Answer: Yes. The Corporation specified amount is the maximum amount.

Question 9: How will fixed-amount grantees be able to draw down their grant funds?

Answer: Senior Companion and Foster Grandparent grantees access the Health and Human Services(HHS)/Department of Payment Management (DPM)website (<http://www.dpm.psc.gov/>) to draw federal funds in PMS/Smartlink. The transaction is processed online and funds are electronically deposited directly into the grantee recipient's account on the next business day as usual.

Question 10: How does achievement of VSUs affect the amount of a fixed amount grant that a program retains?

Answer: The final amounts that fixed amount grantees retain under their awards are dependent on the number of VSUs produced.

Example:

- You are approved for 30 VSUs at \$600 per VSU for a total of \$18,000
- At the end of the budget period you have produced 28.5 VSUs
- You will retain \$17,100 (28.5 X \$600)
- In the event that you have drawn down the full \$18,000, you will return \$900 to the government
- In the event that you have only drawn down \$16,000, you will draw down the balance of \$1,100
- If you under-produce VSUs in year one, the Corporation retains the flexibility to either fully fund year two at the approved VSU level, or fund year two at a reduced amount.

Question 11: How is program income handled under a fixed amount award?

Answer: Because the amounts of fixed amount awards are substantially less than the costs of running the program, fixed amount grantees may use program income to meet the costs not covered by the grant. However, if the level of program income plus the amount of the grant exceed the costs of running the program, the Corporation may adjust the grant award.

Question 12: What are the closeout requirements?

Answer: Closeout follows the same process as cost-reimbursements grants. Your grants officer monitors expenditures on an annual basis and compares them to the VSU production to ensure you are not drawing funds in excess of the allowable amount. At the end of the grant, you will submit the equipment and supplies forms, if applicable.

Question 13: Can I apply for both a fixed amount and cost- reimbursement grant at the same time?

Answer: No. You cannot submit an application for both a fixed- amount grant and a cost-reimbursement grant at the same time. You will have to decide whether you want to apply for a fixed amount grant or a cost-reimbursement grant.

Question 14: If I don't get approved for a fixed amount grant, will I be eligible for a cost-reimbursement grant instead?

Answer: If you are not approved for a fixed amount grant, you will be requested to apply for a cost-reimbursement grant instead.

Question 15: If I'm in a continuation year, may I submit an application for a fixed-amount grant?

Answer: No. To be eligible for the fixed amount grant pilot, you must be seeking a renewal of your grant for a new three year cycle.

Question 16: What is the project period for fixed amount grants?

Answer: Fixed amount grants have three-year project periods. They will be funded in one-year increments, the same as Corporation cost-reimbursement grants. Grantees will apply for second and third-year funding and will be funded for additional years pending satisfactory performance and availability of funds.

Question 17: If a grantee receives a fixed-amount grant and after the first year decides that the fixed-amount funding mechanism is not in its best interest, can it change to a cost-reimbursement?

Answer: It may be possible for a grantee to change to a cost-reimbursement from a continuation fixed amount grant depending on performance and the reason(s) for the requested change.

Question 18: Will the fixed amount change from year to year?

Answer: The Corporation will review the levels for fixed amount grants each year and determine if the amounts should increase, factoring in any administrative cost increases, stipend increases, etc. to determine appropriate levels.