

Any pre-award cost authorization will only affect costs incurred 90 days prior to your start date (§2543.25). Total pre-award costs reported to CNCS Share may not exceed 20% of the total of the CNCS Share budget in Sections I and III. No funds may be expended on Section II. Finally, this authorization does not apply to costs you may have incurred in responding to grant negotiation requirements of OneStar, including amendment/clarification of grant applications and preparation of risk assessment information. These pre-award costs are allowable only to the extent that they would have been allowable if incurred after the budget period beginning date on your grant award.

The following pre-award costs are allowable:

- Personnel expenses and benefits
  - *Be aware that the National Service Criminal History Check (NSCHC) requirements apply to all “covered positions” including staff and AmeriCorps members. Prior to incurring any costs for a “covered position” (staff or AmeriCorps member), you must ensure that all staff have had the appropriate two or three part check conducted. Please see guidance below to determine what a “covered position” is and who is subject to the NSCHC requirements.*
- Prospective member travel and staff travel (if applicable to the 2015-2016 grant you are receiving)
- Equipment
- Supplies
- Contractual and/or consultant services
- Staff training and training for prospective members
- Evaluation
- Other program operating costs

The following costs are not allowable:

- Member living allowances
- Member support costs, including FICA, Worker’s Compensation, Health Care, Child Care, etc.

Approval of pre-award costs does not authorize a grantee or sub-grantee to have AmeriCorps members begin serving. AmeriCorps members may only begin service after the Budget Period beginning date on your grant award. AmeriCorps members may not count any hours served prior to the budget period beginning date as part of their terms of service.

All pre-award costs are incurred at your own risk. OneStar is under no obligation to reimburse you for these costs if you do not receive a grant award from us or if the award is less than anticipated and inadequate to cover such costs; also, there is no guarantee that payment will be made by OneStar for any costs incurred. No payment for services provided or costs incurred by you will be made unless and until there is a fully-executed grant award between OneStar and your organization. In addition, even if a grant award is executed, OneStar may disallow your costs because of federal funding source limitations, violation of statute or regulations, or other good cause considered sufficient by OneStar.

All terms mentioned above that apply to this pre-award allowance, with the exception of the limit on reimbursable expenditures during the pre-award period, also apply to amounts incurred for Grantee Share, including cash expenditures as well as donated goods, space and services.

Guidance on Covered Positions and the NSCHC Requirements

- A covered position is a position in which an individual serving or employed receives a living allowance, stipend, national service education award, or salary through a program receiving a grant under the national service laws. Coverage is not dependent on the type of service the individual is performing, the individual’s access to vulnerable populations, or whether the grantee or sub-grantee programs are using federal share or grantee matching share funds to pay the individual, including salary or stipends which may be counted as matching contributions.
- Programs can most easily identify covered individuals using the “on the budget” and “expenditure report” tests. Positions held by covered individuals or associated salary or stipends are usually, but not always, listed on the program’s approved grant budget. Sometimes, a covered individual may be added to a program’s operating budget at a time when a federally approved grant budget amendment is unnecessary; therefore, individuals in covered positions must also be identified by using the expenditure report test. The expenditure report test

involves examining the program's federal financial reports (FFR). If the cost of the payment paid to the individual was, or will be, included in the federal or matching share program costs reported for the program or its sub-awards, then the individual is in a covered position.

- For grant types such as full-cost, fixed-amount AmeriCorps programs where the program is exempted from submitting budgets or financial reports, the test is to examine the funded grant program application narrative wherein the program's activities are described. Individuals performing the described program implementation activities and administering the program are individuals in covered positions subject to the requirements.
- The requirements cover employees whose positions are associated in part or in whole with a CNCS grant, either as CNCS share or the grantee share. Therefore, not only are your direct employees covered, but so are your partners' and sub-awardees' employees if they are assigned to perform program work and you are including the compensation paid to them as matching funds.
- To identify employees who are covered individuals, determine if he/she is or will be receiving compensation (e.g., salary, wage, living allowance, stipend) for performing program activities. Review your program's operating budget to identify federal and non-federal share amounts projected for individuals performing program activities. Keep in mind that there are a variety of ways that costs for individuals working under a program are depicted on a grant budget, for example, listing individual positions, grouping position types, or listing lump-sums for sub-awarded activities.
- It is important to project all of the positions that will be needed to run the program and fulfill matching requirements since they must all be reported as expenditures, and thus would be covered positions. If a covered position is omitted from a grant or operating budget early on, and is later added, the associated claimed costs would not be allowable if the Check was not performed when the individual began work or started service under the grant. Note that since full-cost, fixed-amount programs do not have a federally approved grant budget or submit financial reports, you must use your program's records, including operating budget and your accounting system to identify all individuals in covered positions based on whether or not they are performing program work as described in your funded grant application.