

**LIVING ALLOWANCE DISTRIBUTION POLICY****Overview**

This document is intended to outline the rules and federal requirements of distributing living allowance for AmeriCorps programs. This guidance is based on CNCS requirements found in 45CFR §2522.240 – 45, CNCS FAQ C.10 and C.16, Specific Terms and Conditions VIII.A., and [FGMI Handout: FAQ Distribution of the AmeriCorps Living Allowance – AmeriCorps](#).

**Distribution Guidelines****POLICY STATEMENTS:**

- Living Allowance is not a wage. It is designed to help members meet the necessary living expenses incurred while participating in the AmeriCorps program.
- Subrecipients must not pay a living allowance on an hourly basis. It should not fluctuate based on the number of hours members serve in a given time period.
- Subrecipients should pay the living allowance in increments such as weekly, bi-weekly or monthly.
- A member who completes his or her service early or starts service late should receive whatever portion of the living allowance that would be provided for that period of participation under the program’s living allowance distribution policy.
  - For example: The program is designed to run 11 months and the living allowance is paid monthly. A member who starts at the beginning of the second month will receive 10/11ths of the total living allowance, unless the member serves a month longer than the members who started in the first month of the program.
- If a member does not serve the full term of service as designed, the member will not receive the full minimum living allowance.
- Subrecipients may not provide a lump sum payment at the end of a term or give a member who starts late a larger living allowance distribution at the beginning of the term to catch up for what they missed.
- Members of a particular member type who start later than members of the same member type should be paid the same per pay period as the group of members who started first.
- If the program is designed to have two or more groups of members of the same member type serve different term lengths, members should be paid the same per pay period, as opposed to the same total pay. This does not apply when the lengths of service are significantly different, such as a school year length term versus a summer term of service.
  - For example: A program enrolls two different groups of Minimum-Time members, both serving 300 hours, both paid bi-weekly. MT Group 1 serve 300 hours over 8 weeks; MT Group 2 serve

300 hours over 10 weeks. MT Group 1 and 2 should both receive \$200 bi-weekly, resulting in Group 2 receiving an additional pay period, and therefore a larger total living allowance.

○

#### **PRO-RATING LIVING ALLOWANCE FOR A PAY PERIOD:**

If a member either starts later in the pay period or exits early in a pay period, his or her living allowance should generally be pro-rated based on his or her start or end date. However, each program may establish a different written pro-rating policy that is reasonable.

- For example: If a program pays members on a monthly basis, it may set a policy that if a member comes on board within the first two weeks of the month, they would still receive the full living allowance for the month. But if they start their service later than that, they could pro-rate the amount based on the number of days in the month that they serve. The same would hold true for the end of service.
- For example: A program starts on 9/3 and members are scheduled to receive 20 paychecks (i.e. 20 pay periods) for a total annual living allowance of \$2,000. The organization's normal pay period runs 9/1 – 9/15. The sub-grantee is not required to pro-rate that first payment to only cover 13 days instead of 15 days. They are allowed to distribute the total living allowance equally. So, instead of having the first pay period to be less than the subsequent 19 pay periods, the sub-grantee can have 20 pay periods of \$100 each.

A program can establish its own cut-off points as long as they are reasonable, documented and followed consistently.

#### **INCENTIVES AND LEADERSHIP STIPENDS:**

##### **Cash Performance-Based Incentives for Members**

Programs are allowed to provide cash performance-based incentives to members, as long as it is an option for all members in a program. Any offering of cash incentives to a certain segment of members in a program must be approved in advance by OneStar. Also, the sum of a member's living allowance and any cash incentives received may not exceed the maximum allowable living allowance for the particular member type.

##### **Increased Stipends for Members with Additional Leadership Responsibilities**

Programs are allowed to provide leadership stipends for certain members placed in additional leadership roles, subject to the following conditions:

- The leader member positions are a strategic addition to the program design and are necessary or provide enhancement to the service proposed
- The leader members positions have a different service position description than the other members. The service position description describes the leadership duties.
- The program design drives the number of leader positions that will exist and be filled, rather than the number of individuals who are qualified.

Although these positions are in a leadership role, the members may not engage in any activities prohibited of AmeriCorps members. These include:

- Supervising other AmeriCorps members
- Performing non-direct service duties related to management and operations of the AmeriCorps program (e.g. completing reports for OneStar, entering timesheet data for all members into a database, tracking performance measure data for the program as a whole)
- Performing other service for the organization that is unrelated to the service activities in the approved grant application