



To: State Service Commission Executive Directors  
From: Iyauta Green, Director, Office of Grant Administration  
Subj: Fiscal Year 2024 Formula Guidance for State Commissions  
Date: March 1, 2024

This memorandum provides guidance regarding Fiscal Year (FY) 2024 formula grants. Please review this memo carefully as it includes many changes, as compared to prior year formula guidance.

## Formula Guidance Changes

1. AmeriCorps will not allow any formula funds, including unexpended funds, to be transferred from one prime to another after the federal period of availability of the appropriation has ended. This means that prior year formula funds must stay on their current primes. FY 2024 formula funds and ARP formula funds cannot be transferred after 9/30/2024.
2. All funds on the ARP formula prime that State Commissions intend to use, must be transferred to another formula prime (cost reimbursement, fixed amount, and/or planning grant) no later than 9/30/2024.
3. **Effective 2/29/2024, the memo regarding Year 4 ARP formula primes, dated October 12, 2023, is rescinded.**
4. Commissions that want to request carry forward, must report unexpended funds on the 2024 Formula Prime Worksheet not a separate unexpended worksheet.
5. Guidance has clarified that extensions or amendment requests for additional FY 2024 funding will not be granted after July 25, 2024.
6. No individual subapplication may have a cost per MSY greater than \$27,000. If applicable, currently funded formula applications are required to reduce their grant amount to \$27,000 per MSY.

## Rationale for Formula Guidance Changes

The transfer of funds from one prime grant to another appears as new obligations in the AmeriCorps financial system. This activity creates the appearance of financial mismanagement and a violation of accounting principles for AmeriCorps, and causes reportable Financial Statement Audit findings, as new obligations are prohibited after the period of availability per 31 U.S.C. § 1502(a). The period of availability is the fiscal year end date for annual appropriations and 9/30/2024 for ARP funds. Because of AmeriCorps' **federal requirement** to serve as effective stewards of federal funds, as codified in Goal 4: AmeriCorps Strategic Plan and 2 CFR200 Uniform Grant Guidance, along with the need to





eliminate any financial transactions that would cause audit findings, AmeriCorps cannot allow the transfer of funds between prime grants after the period of availability of funds expires.

The new cutoff date for extensions and amendments for additional FY 2024 formula funding requests ensures all formula actions can be completed in an organized and orderly manner prior to the end of the fiscal year.

## **State Allocations**

Formula allocation amounts will be provided after the federal budget for FY 2024 is passed and AmeriCorps State and National receives its appropriation. AmeriCorps will allocate the statutory minimum of one-half of one percent (0.5 percent) of the total allocation to each state and then use a population-based formula to allocate any remaining unallocated funds to states eligible to receive more than the minimum with the exception of South Dakota, which does not have a State Service Commission. South Dakota will receive the total of its competitive applications.

## **Overview**

Each State Commission is responsible for developing a competitive application process that includes the review and selection of AmeriCorps programs for funding. The AmeriCorps regulations ([45 CFR §§ 2520 - 2550](#)) contain program-specific information and requirements that Commissions must incorporate into their review process. State Commissions have sole responsibility for reviewing formula applications to ensure they are complete, accurate, and in compliance with all program and budget requirements. This includes ensuring adherence to the guidance for the living allowances.

In addition, State Commissions must follow applicable legal requirements imposed by the state regarding requests for proposals and the selection of programs within their state. Commission outreach and review processes should be consistent with board-approved policies.

When submitting the prime application to AmeriCorps, Commissions must certify in eGrants that the selection process complied with the National and Community Service Act of 1990 (NCSA), as amended, AmeriCorps regulations, and all state laws and conflict of interest rules.

The State Commission Formula Prime Application Package(s) for each prime grant must include the following items:

1. Applicant information from the State Commission (prime application)
2. Assurances and certifications signed by the appropriate State Commission authorizing official



3. AmeriCorps formula program subapplications proposed for funding
4. An Executive Director must be listed for an active account under the organization. (If this is not done, it results in awarding delays.)
5. The FY 2024 Formula Prime Worksheet that distinguishes what are regular appropriated formula funds and what are ARP formula funds.
6. **Continuation Prime Grants only:** the FY 2024 Formula Prime Worksheet reports unexpended funds requested as carry forward.

The following limits apply to the prime and/or subapplications:

1. All subapplicants must meet required match levels, as applicable.
2. There is not a cost per MSY maximum at the aggregate or prime grant level; however, no individual subapplication may have a cost per MSY greater than \$27,000. Placeholder subapplicants and planning grants do not have MSYs and thus there is not a cost per MSY associated with them.
  - a. **Note:** If applicable, currently funded formula applications are required to reduce their grant amount to \$27,000 per MSY to meet the FY 2024 cost per MSY requirement per the [2024 Notice of Funding Opportunity](#).
3. The maximum cost per MSY for an individual state formula non-EAP subgrantee is \$27,000. The maximum cost per MSY for an Education Award Program (EAP) Fixed Amount grant is \$800 or \$1,000.\*
  - a. \*Not more than \$1,000 per MSY if at least 50 percent of the persons enrolled in the program are disadvantaged youth.
4. ARP funds are limited to bucket 1 - increasing the living allowance, bucket 2 - match replacement, and/or bucket 3 - expand service/new communities "boots on the ground."
5. Match replacement is limited to ARP funds.
6. Commissions may not drawdown funds from the Payment Management System for the ARP formula prime grant.

### **Guidance on Applying for Commission Formula Funds, including ARP Formula Prime Grant Funds**

The total amount of the formula request cannot exceed the FY 2024 allocation plus any carry forward unexpended funds (continuations only) and any funds remaining on the ARP Formula prime.

Commissions may request the number of slots and MSYs they deem appropriate for their programs given the available funding. The number of MSYs requested must be based on AmeriCorps' expectations for full enrollment in the identified programs. AmeriCorps reserves the right to lower the number of slots and/or MSYs if the aggregate request of all Commissions exceeds the slots and/or MSYs projected based on the funds available.



### Placeholders

Commissions may include a placeholder subapplication in their cost reimbursement, fixed, or planning grant formula prime. The placeholder subapplication may not exceed 25% of the Commission's total FY 2024 formula annual appropriation allocation amount.

Please refer to the following clarifications below concerning placeholder applications on formula primes:

1. A placeholder application is a subapplication on a prime.
2. A State Commission can have a placeholder on a formula cost reimbursement prime, a formula fixed prime, or a formula planning prime.
3. Placeholders are for annual appropriation funds, not ARP funds. See information in the *ARP Formula Prime Grant Funding* section below for details on how ARP funds must be handled in FY 2024 when the subapplicant has not yet been identified.
4. Once awarded, placeholder funding may not be transferred to another formula prime.

Prior year subapplication placeholders that have not converted into a program or planning grant may be continued, provided the 25% cap is not exceeded. The name of a continuing placeholder may reflect the name assigned in the previous year. Any new placeholder application's project title must be reflected as:

*"Placeholder [STATE ABBREVIATION] Cost Reimbursement" or "Placeholder [STATE ABBREVIATION] Fixed Amount" or "Placeholder [STATE ABBREVIATION] Planning Grant."*

Guidance for how to handle a formula placeholder application (which is a subapplication on a prime) from a previous year (e.g., FY 2022, FY 2023):

- If a formula placeholder application exists - Continue or renew this formula placeholder application. There is no need to create a new formula placeholder application for FY 2024. Do not be concerned about misaligned application naming conventions (for example a fiscal year other than FY 2024). Changing the naming convention can be done by State Commission staff and does not require PM/SPM intervention.
- If no formula placeholder application exists - If an attempt is made to create a placeholder application, a message alerting "Your organization already has an XX program. You may not create another" will likely appear. If this occurs, contact your PM/SPM so that they can create a new project.

Additionally, please contact your Portfolio Manager if you have non-technical questions about Formula placeholders. Please submit any other eGrants technical support questions to the National Service Hotline at (800) 942-2677.



### Planning Grants

Planning grants should be included on the Commission's cost reimbursement prime when the Commission utilizes planning grants. Commissions should not create new planning grant primes to minimize the impact in the future of being unable to transfer funds among primes. If a Commission decides that it wants to create a new planning grant prime with full awareness that the funds, including unexpended funds will stay on this prime until closeout because funds cannot be transferred to another prime, then Commissions may include planning grants on a separate prime. The planning grant prime's project title must be: "Planning Grants [Commission Name]."

All planning grants must follow the cost reimbursement reporting requirements in the Terms and Conditions.

Planning subgrants are one year only. New planning grant primes will be awarded with a three-year period of performance. Commissions that created a planning grant prime in 2022 or 2023 should be able to continue those primes and open them for subapplications even if the prime is expiring. Any planning grant prime awarded for less than a three-year period of performance, AmeriCorps will extend the end date of these primes to reflect a typical three-year period of performance, which makes it possible to allow unexpended funds on the prior year to be carried forward on that prime.

### ARP Formula Prime Grant Funding

As mentioned above, AmeriCorps has rescinded the October 12, 2023 guidance and no cost extensions will not be awarded for the ARP Formula prime grants. Funding from the ARP Formula prime cannot be transferred to another formula grant after 9/30/24. Any remaining funding on the ARP Formula prime grant will be deobligated at closeout.

### ***AmeriCorps has identified an alternative approach for commissions to use ARP funding for the duration of the 2024 program year.***

All ARP funds that commissions expect to utilize must be moved from the ARP Formula Prime by 9/30/2024. There are three options:

- 1) Move funds to identified prior year subapplicants using prior year formula instructions by 9/30/2024.
- 2) Move funds to the subapplicants that have been identified in the 2024 formula application(s) using the instructions in the 'Using ARP funds for identified subapplicants' section below.
- 3) Make a **one-time** move of funds to one or more of the Commission's other 2024 formula primes, by 9/30/2024. Funds will stay on the cost reimbursement, fixed, and/or planning grant primes until subapplicants are identified. Funds must not be expended unless they are associated with a subgrant. Then funds can be moved to



new or existing subapplicants via amendments during the 2024 program year. ARP funds must not be expended after the 2024 program year even if the prime's period of performance extends beyond the 2024 program year. See the 'Using ARP funds for unidentified subapplicants' section below.

For Option 1, Commissions may continue moving funds from the ARP Formula prime grant to their prior year (2023) formula awards through the end of their period of performance on the ARP Formula prime grant or 9/30/24, whichever comes first.

For options 2 and 3, Commissions will indicate the total amount of ARP Formula funds they will use on each prime for their 2024 formula program year on the 2024 Formula Prime Worksheet. This total includes both the amount designated for identified subapplicants *and the amount not yet identified for subapplicants*. Prior to processing 2024 formula awards, AmeriCorps will deobligate the funds from the ARP Formula prime grant.

#### *Using ARP funds for identified subapplicants (option 2)*

To transfer formula ARP dollars, Commissions must complete and submit the FY 2024 Formula Prime Worksheet with their formula prime submissions. Use the 2024 Formula Tab. The Office of Regional Operations and the Budget Office staff will use the information contained in the FY 2024 Formula Prime Worksheet to deobligate funds from Commission ARP formula prime grants and augment the Commission's fixed, cost reimbursement, and/or planning grants according to the information provided by Commissions in the Worksheet. ARP funding for designated subgrant(s), should be included in the applicable FY 2024 formula application in eGrants.

#### *Using ARP funds for unidentified subapplicants (option 3)*

For all other ARP funding that is not yet designated for a subgrant(s), and the Commission wants to transfer funds from the ARP Formula prime grant, the Commission will include the amount of ARP Formula grant funds on the applicable 2024 formula prime grant in eGrants. The funds will be added as a lump sum to the prime grant budget on the Commission's prime cost reimbursement, fixed grant, and/or planning grant, not as a placeholder subgrant. Throughout the 2024 program year, and not to exceed the FY 2024-member enrollment period end date, Commissions may submit budget amendments in eGrants - along with the required 2024 Formula Prime Worksheet (Amendment Tab) - to transfer ARP funds from the cost reimbursement, fixed, or planning grant prime's budget to a designated subgrant on that formula prime grant only. Funds may not be transferred to another formula grant. For example, ARP funding added to a commission's cost reimbursement prime grant can only be moved from the prime grant budget to an identified subgrantee on the cost reimbursement grant.

### **Submission Requirements**



Commissions should submit their complete formula applications (cost reimbursement, and fixed), including the FY 2024 Formula Prime Worksheet, by **Friday, May 17, 2024**, at 5:00 p.m. ET. Worksheets must be emailed to your Portfolio Manager as Commissions have done with previous ARP worksheets. Correct and compliant formula applications submitted by the deadline on **May 17** will be awarded no later than **Thursday, July 25, 2024**. AmeriCorps will prioritize award processing by start date.

Office of Regional Operations Portfolio Managers will consider individual Commission requests for extensions to the **May 17** formula application submission deadline. Please send your request for an extension to your Portfolio Manager with the subject line:

*[STATE abbreviation] - FY 2024 Formula Extension Request.*

AmeriCorps will *not* grant extensions or amendments for additional FY 2024 funding after July 25, 2024. Commissions should not expect an additional opportunity to request formula funds after this date.

All formula primes (cost reimbursement, fixed, and planning) must be submitted at the same time. Please remember that program start dates may be affected by any extension request.

There will not be a supplemental formula process.

Please remember that programs may **not** enroll AmeriCorps members before the date AmeriCorps issues the grant award. Commissions should monitor the application in eGrants and alert their Portfolio Manager if it appears the formula grant is not on schedule for award at least 10 days before the start date of the earliest starting program.

AmeriCorps will award formula grants within the timeframe specified above if the submitted formula application is correct and compliant, reporting is up-to-date, and the state is free from compliance concerns. Please remember that AmeriCorps will not make any award to a Commission if any of the following conditions apply:

- The Commission has not submitted required financial or programmatic reports or closeout documents or reconciled the financial information.
- The Commission and/or subapplicant is delinquent on a federal debt.
- The Commission and/or subapplicant is on the "Do Not Pay" list.
- The Commission has overdue closeout actions
- A subapplicant is not registered in SAM, or a subapplicant's SAM registration is not current.
- The Commission and/or subapplicant does not have a valid UEI.
- The Commission's SAM registration is not current.



- The Commission and/or subapplicant Legal Applicant name and/or address in the application is misaligned with the information in SAM.
- The Commission and/or subapplicant's Authorized Representative has an active exclusion in SAM (As a reminder, Commission staff cannot be listed as the Authorized Representative on a subapplicant's application).
- There are outstanding Single Audit or Office of Inspector General (OIG) audit issues.
- The Commission and/or subapplicant has significant Responsibility/ Qualification (previously known as FAPIIS) reporting in SAM.
- The Commission and/or subapplicant has other outstanding compliance issues.
- The Commission and/or subapplicant fails to meet its matching requirements in the application.
- The subapplicant fails to meet the cost per MSY limits in the application.
- The Commission has not provided complete unexpended funds information on the FY 2024 Formula Prime Worksheet as applicable (continuation grants only).

### **Dividing the Formula Allocation between a Fixed Amount Grant, Cost Reimbursement Grant, and Planning Grant**

Commissions may divide their formula allocation between a fixed amount, a cost reimbursement, and planning grant. If a Commission chooses to support a fixed amount grant (including Education Award Only Programs), a cost-reimbursement grant, and a planning grant (if commissions choose not to include planning grants on the cost-reimbursement grant), you must submit separate prime applications for each.

ARP funding may be transferred from the ARP Formula prime grant to any or all of the three formula grants within the parameters outlined above.

### **Match Requirements**

State Commissions are responsible for meeting an aggregate overall match requirement based on the subgrantees' individual match requirements. See [45 CFR §§ 2521.50-2521.90](#) and additional guidance from AmeriCorps on the matching requirements that apply to a given Commission and its subgrants.

**Note:** AmeriCorps legislation permits the use of non-AmeriCorps federal funds as match for the grantee share of the budget. Please ensure that subapplicants discuss their intention to use federal funds to match an AmeriCorps grant with the other agency prior to submitting their applications. Subapplicants that use other federal funds as match must ensure they can meet the requirements and purpose of both grants. Section 121(e)(5) of the National and Community Service Act (42 U.S.C. § 12571(e)(5)) requires that grantees that use other federal funds as match for an AmeriCorps grant report the amount and source of these funds to





AmeriCorps. Grantees that use federal funds as match will be required to report the sources and amounts annually on the FFR.

**Note:** A prior planning grant that becomes an operational grant should apply as a new project, not a continuation, to ensure the match requirements appear correctly.

### **Alternative Match**

Under certain circumstances, subapplicants may qualify to meet alternative matching requirements that increase over the years to a required 35 percent minimum contribution instead of the standard 50 percent as specified in 45 CFR §2521.60(b). To qualify, subapplicants must demonstrate that the proposed program is either located in a rural county or in a severely economically distressed community. State Commissions that support and recommend the alternative match schedule for a subapplicant must submit a request to AmeriCorps. Please note, review of alternative match requests may take up to 60 days. Alternative match schedule requests should be submitted to [ACAlternateMatchRequests@cns.gov](mailto:ACAlternateMatchRequests@cns.gov) with a copy to your Portfolio Manager.

### **Cost per Member Service Year (MSY)**

One Member Service Year or MSY is equivalent to a full-time AmeriCorps position. Commissions can determine the AmeriCorps cost per MSY by dividing the AmeriCorps share of budgeted grant costs by the number of MSYs requested. The cost per MSY does not include the cost of childcare or the value of the education award an AmeriCorps member may earn.

The maximum cost per MSY for an individual state formula non-EAP subgrantee is \$27,000. The maximum cost per MSY for an Education Award Program (EAP) Fixed Amount grant is \$800 or \$1,000. There is not a maximum cost per MSY at the prime grant level or aggregate (all primes for competitive and formula) level.

### **Unexpended Formula Funds You May Carry Forward into Your 2024 Program Year**

Commissions may carry forward unexpended 2023 formula funds into the 2024 program year for **continuing grants only**. To do this, a Commission must add the unexpended funds they plan to carry forward to the 2024 budgets. Unexpended funds will only be carried forward (added to the budgets) and no funds will be offset (carryover). Unexpended Funds cannot be transferred between prime grants.

Commissions may carry forward 100% of their unexpended funds, if requested. Carry forward will remain on the prime grant and cannot be transferred to another formula prime.



To help determine the level of unexpended funds you will carry forward into your 2024-25 program year, Commissions will include the carry forward information for each **continuing** formula grant on the FY 2024 Formula Prime Worksheet. Use the 2024 Formula tab. Commissions must submit the worksheet at the time the formula application is submitted. The worksheet must include for each continuing grant:

- The amount of unexpended funds that will be included in the 2024-2025 program year application. Unexpended ARP funds should be included in the total amount reported. Please do not break out unexpended ARP funds separately from annual appropriation unexpended funds.

If you plan to carry forward unexpended funds into 2024, you must include them in your formula budget submission. If any formula grant is expiring in 2023-24, we cannot transfer funds to a new or renewal grant. The final approved budgets will include 2024 funds requested, ARP funds transferring, and any unexpended funds carried forward and included in the submission.

### **State Commission Up to Two Percent Fixed Administrative Cost Option**

While AmeriCorps encourages State Commissions to provide the full five percent to subgrantees for administrative costs, Commissions may require subgrantees to allocate up to two-fifths of the five percent (i.e., two percent of the federal dollars awarded) to be retained by the Commission to cover Commission-level administrative costs. Commissions who report on the January 30, 2024 FFR, less than 25% of their 2023 Commission Support grant (CSG) allocation unexpended may retain up to two-fifths of the five percent of both the competitive and formula grants. If a Commission has 25% or more of their 2023 CSG funding unexpended, it may retain up to one-fifth of the five percent. Any administrative funds retained by the Commission must be used solely in support of the AmeriCorps programs from which they have been retained. These funds may not be used as match on the Commission Support grant or any other federal grant. The Commission's accounting system must track and allocate these administrative funds separately. A worksheet, reflecting a Commission's eligibility to retain up to two-fifths of the administrative costs, is forthcoming.

### **Formula Grants Expiring in 2024**

State Commissions that will receive a new formula award in 2024 will **not** be able to carryforward unexpended funds. Any unexpended funds from grants ending in 2024 will be deobligated at closeout.

Please contact your Portfolio Manager if there are additional questions about the formula process as described herein.

### **Attachment**



## 2024 Formula Prime Worksheet