



## Spending Within the Period of Availability and Multi-Year Budgeting



MIECHV funds are awarded to recipients for a two-year period of availability (i.e., the period of time during which funding is available to be expended on the award). Expenses charged to an award outside of the period of availability are considered unallowable.

Awardees must provide a budget that describes the expenditure of grant funds at all points during this two-year period. MIECHV awardees take varied approaches to budgeting:

- Many awardees budget to expend their allocation during the first year. Their budgets reflect fully expending their award during the first year of the grant period, even though the period of availability for the award is two years.
- Some awardees will budget to use their allocation over the entire two-year period of availability. A two-year or multi-year budgeting approach can help awardees with long-term and strategic programmatic planning; this, in turn, leads to more consistent priorities from year to year.
- Some awardees budget to expend funds in the second year of the two-year award from the grant that is closing *and* expend funds in the first year of the new grant simultaneously.

Whichever approach is taken, all awardees must stick to the budget they propose, closely monitor expenses, and make sure that expenditures are properly coded and charged and that all costs are charged to the correct project/grant period.

[Visit the MIECHV Program website to learn more!](#)

Below are some tips for developing a budgeting process that is strategic and inclusive of the needs of the MIECHV program. While geared to awardees, many of the practices in this tip sheet are also applicable to subrecipients. Awardees should consider how to share these practices with their subrecipients and how to monitor them. Awardees should always contact their project officer (PO) and grants management specialist with specific fiscal questions.

- ✓ **Design a budget plan rather than thinking of “the budget” as a single document for a single year.** Include in the budget plan all interrelated budgets (awarded amounts) that collectively summarize all planned activities within the two-year period of availability.
- ✓ **Describe how grant funds will be spent at all points during the period of availability, using the Period of Availability Spreadsheet.** This spreadsheet is made available annually as a section of the HRSA Notice of Funding Opportunity technical assistance resource table. The spreadsheet should include the proposed budget for each individual fiscal year of the two-year period of performance/ period of availability. This will help you verify that you are proposing to allocate funds across the full two-year period of availability. Awardees are not required to maintain the same rate of expenditure, or the same level of home visiting services, throughout the full period of availability but must demonstrate that home visiting services will be made available throughout the period.
- ✓ **Calculate how much it costs to provide services.** You (as well as your subrecipients) will be able to more accurately project expenses if you know the actual costs of the services. In addition to personnel costs (i.e., salary and fringe benefits), consider materials, supplies, training, mileage, and other expenses (e.g., overhead) as part of the total cost of home visiting services. The [Home Visiting Budget Assistance Tool](#) provides an approach to standardizing cost data collection for home visiting programs.
- ✓ **Forecast overall expenses and costs.** You can forecast for an entire grant period using real-time data to project results. While predictions may not match exactly how the award is spent each year, try for a reasonable approximation of what you intend to spend based on your sense of the expected overall costs. However, final charges to the grant must be based on actual (rather than budgeted) costs.
- ✓ **Install financial management systems and maintain records that adequately document the sources of funds for federal activities and the purposes for which they are used.** These systems must allow the awardee to compare actual expenditures with the approved budget. Internal controls should ensure that costs charged are allowable, allocable, reasonable, necessary, and adequately documented. In addition, HRSA funds must retain their award-specific identity; they must be tracked separately from state funds or other federal funds.

- ✓ **Develop and maintain policies and procedures that explain the preparation and oversight of the budget.** These policies and procedures should clearly describe the budget life cycle from beginning to end. Include information such as names of the individuals who are authorized to be involved in the process, each person's role and responsibilities, and the fiscal management systems used throughout the process.
- ✓ **Describe any large year-to-year variations in the budget justification.** For example, if money for consultants is only set aside in a single year of a budget, explain the reason for this in the justification (e.g., consultants will help with statistical interpretation of the data and therefore are not needed before any data is collected).
- ✓ **Compare budget projections to actual expenditures** To minimize de-obligating funds, closely monitor budget categories for significant variances that are either over- or underspent on a monthly or quarterly basis:
  - Estimate expenses through the end of the period of availability by dividing the total expenses incurred by the number of months that have passed to calculate the average monthly expenses.
  - Multiply this average by the total number of months for which the expenses were budgeted to project expenses through the end of the budget period at the current rate of spending.
  - Review and compare original budget assumptions to projected spending to assist in understanding the reason(s) for the significant variances.
- ✓ **Rebudget within and between budget categories.** Rebudgeting is allowed to meet unanticipated needs and to make other types of post-award changes, when necessary. Depending on the amount of the change requested, this may require HRSA's approval. (See *MIECHV Grants Management Tool—Obtaining Prior Approval: When, Why, and How* for more information.)



## HRSA Resources

### [Code of Federal Regulations, Title 45: Public Welfare, Part 75—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards](#)

This document contains the regulations for grant management for the Department of Health and Human Services.

- [45 CFR §75.308](#) presents requirements for revisions to budgets and program plans
- [45 CFR §75.309](#) focuses on grant period of performance and availability of funds

### [HHS Grants Policy Statement](#)

This document presents the general terms and conditions of HHS grant awards.

### [HRSA Financial Management Page](#)

This page presents the financial requirements of a MIECHV award.

### [I Speak Fiscal; I Speak Program: Collaboration Between MIECHV Grants Management and Project Management](#)

This recorded webinar from the Home Visiting—Improvement Action Center includes a discussion of the roles and responsibilities of fiscal and program staff in overseeing documentation.

## Additional Resources

*Please note: The resources below contain information relevant to this topic but are not endorsed by the Health Resources & Services Administration (HRSA). They were not developed in collaboration with HRSA nor does HRSA play any role in their maintenance.*

### [10 Step Annual Budget Checklist](#)

Developed by Propel Nonprofits, this brief checklist provides a quick overview of important budget considerations.

### [Budgeting for the Future: Fiscal Planning Tools Can Show the Way](#)

This report by the Center on Budget and Policy Priorities describes ten key tools that can help states budget accurately and how they can make corrections when needed.

### [Cost Analysis in Program Evaluation: A Guide for Child Welfare Researchers and Service Providers](#)

Developed by the Child Welfare Research and Evaluation Cost Workgroup and Children's Bureau, this resource provides guidance for defining the scope and purpose of a cost analysis and determining the information needed to conduct it.

### [Financial Forecasting in the Budget Preparation Process](#)

This web page from the Government Finance Officers Association details how an effective forecast process allows for improved decision-making in maintaining fiscal practices and delivering services.

### [Improving the Effectiveness of Multi-Year Fiscal Planning](#)

This February 2014 article in *Government Finance Review* provides an overview of how multi-year fiscal planning and projections are used.

### [Nonprofit Cost Analysis Toolkit: Six Steps to Finding the True Costs of Programs](#)

This tool kit from the Bridgespan Group provides an overview of cost analysis as a method of gaining clarity around costs in order to inform strategic decisions.

### [Scenario Planning: Providing Insight for Impact](#)

This report from the Chartered Institute of Management Accountants introduces scenario planning as a method to evaluate different views of what may happen in the future to aid in strategic, operational, and financial planning.

### [Technical Assistance: Getting Your Budget Past "One Day \(or Year\) at a Time"](#)

This blog by Hilda Polanco is the Founder and CEO of Fiscal Management Associates presents basic steps to multi-year financial planning.

### [Tips for Creating a Budget](#)

These tips from the National Institutes of Health (NIH) and National Institute of Allergy and Infectious Diseases provide address of variety of important budgeting considerations.