FISCAL REPORTING

Patrick Hecker
State Grants Program Lead
What is a Federal Grant?

A financial assistance instrument which provides money and/or direct assistance to the recipient to carry out a public purpose authorized by a law of the United States.
The JVSG – A Formula Grant

• The JVSG is a mandatory grant - awarded non-competitively to eligible entities that submit acceptable state plans

• Life cycle of grant: application, review, award, performance, payment, and closeout

• Grant award includes info on budget amounts, required reports, regulatory requirements, and grant terms and conditions
• Quarterly Financial reports:
  – Inform VETS how much of each State’s grant award has been expended, obligated but not yet expended, and not yet obligated as of the report end date
  – Capture the amount of Federal funds awarded under the grant that the grantee has disbursed

• VETS uses this data to:
  – Regulate the flow of Federal funds to each grantee
  – Monitor grantees’ use of the funds to forecast funding and cash needs and reallocate as needed
  – Account for the appropriations supporting the grant
Reports Support Decision Making

• Fiscal reports affect decisions made on:
  – Quarterly reallocations
  – Modification requests
  – Future funding (1st quarter only)

• To support decisions, reports must be:
  – Timely
  – Accurate
Fiscal Terminology

What are we talking about?
To be chargeable to a Federal grant, costs must be allowable, reasonable, and allocable.
**Allowable**

- To be allowable, costs must:
  - Be reasonable and allocable
  - Conform to any limitations or exclusions set forth in the cost principles or the grant award
  - Be consistent with policies and procedures afforded all activities of the organization
  - Be accorded consistent treatment
  - Be determined in accordance with Generally Accepted Accounting Principles (GAAP)
  - Not already be included in a cost sharing or matching requirement
  - Be adequately documented
A cost which, in its nature or amount, does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs.
Allocable

• A cost is allocable to a Federal award if it is treated consistently with other costs incurred for the same purpose in like circumstances and if it:
  – Is incurred specifically for the award
  – Benefits the award and other work and can be distributed based on benefits received, or
  – Is necessary for the overall operation of the organization, although a direct relationship to a particular cost objective cannot be shown
All costs are …

Direct or Indirect…
Direct Costs

• Costs identified specifically with particular cost objectives
• Generally include, but are not limited to:
  – Salaries & wages
  – Fringe benefits
  – Contracted services
  – Travel
  – Materials, supplies, and equipment
  – Communication costs
Indirect Costs

Costs incurred for a common or joint purpose benefiting more than one cost objective and not readily identifiable with a particular project, function, or activity but necessary to the general operation of an organization and the conduct of the activities it performs.
JVSG Funded Positions

• **Full-Time Equivalent (FTE)** – A term used to signify DVOP/LVER staff who works 32 to 40 hours per week or as defined by state merit staffing rules

• **Base Positions Paid** - The number of DVOP and LVER full- and half-time positions directly charged to the grant, expressed as FTE

• **Staff Utilization Rate** - A comparison of Base Positions Paid to the approved staffing level, expressed as a percentage
• **Authorization** - statutory provision that obligates funding for a program or agency

• **Appropriation** - The provision of funds, through an annual appropriations act or a permanent law, for Federal agencies to make payments out of the Treasury for specified purposes

• **Continuing Resolution / Continuing Appropriation** - Legislation in the form of a joint resolution enacted by Congress to provide budget authority for Federal agencies and programs to continue in operation
• **Notice of Grant Award (NGA)** - The legally binding document that notifies the grantee that a grant has been made; the NGA contains references to the award's terms and conditions.

• **Notice of Obligation Authority (NOA)** – The document that officially informs grantees of the cumulative funding amounts made available for their use for a specified period of time; States are prohibited from drawing down an amount of funding that exceeds the amounts listed on the most recent NOA.
Obligate - To make a legal commitment to expend funds for the purchase of services, supplies, materials, or presentation of an Incentive Award to a selected recipient. There is no legal commitment until a contract is executed, a purchase order is issued or an award selection is made. For the purposes of JVSG Incentive Awards, funding can be considered “obligated” once an award selection is made.
• Unliquidated Obligation – Unliquidated obligations on a cash basis are obligations incurred, but not yet paid. On an accrual basis, they are obligations incurred, but for which an expenditure has not yet been recorded.

• Unobligated Balance – The total Federal funds authorized as of the reporting period end date minus the amount of Federal fund expenditures.
Three Very Important Dates to Remember

September 30\textsuperscript{th} – last day to \textbf{award} FY funding

December 31\textsuperscript{st} – last day to \textbf{obligate} prior FY funding

March 31\textsuperscript{st} – last day to \textbf{liquidate} prior FY obligations
Quarterly Fiscal Reports

What are they and when are they due?
Fiscal Report Content

• SF 425, Federal Financial Report (FFR)
• VETS 402 A/B, Expenditure Detail Report (EDR)
• Fiscal analysis as part of Technical Performance Narrative (TPN)

Let’s talk about 5th quarter spending plans
Fiscal Report Due Dates

• FFR and EDR due 30 days following the end of each FFY quarter
• TPN due 45 days following end of each FFY quarter
• Reports due for every quarter in which JVSG funding is awarded, obligated, or expended
• Final / closeout report due when all JVSG funding has been expended
All funding obligated and liquidated at end of 4\textsuperscript{th} quarter

All funding obligated and liquidated at end of 5\textsuperscript{th} quarter

All funding obligated in 5\textsuperscript{th} quarter is liquidated in following quarter

Report ending 9/30 or 12/31

Report ending 12/31 or 3/31

Report ending 3/31

Final Report
Interim Modifications

When are they due?
Interim Modifications

- Due in VETS National Office NLT 45 days prior to the quarter in which the modification is requested to become effective
  - November 16th
  - February 15th
  - May 16th
  - First Friday in August

Allow 15 working days for review by DVET and RAVET
Due Dates

If a due date falls on a holiday or weekend, the submission is due the last work day prior to the published due date.
Questions?

Thank You!