



Grant Management Policies & Procedures

Working Dogs For Vets Policies and Procedures are intended to provide a uniform method of applying for and managing grants. Procedures represent an implementation of policy and should evolve as new tools emerge, new processes are designed, and risk changes due to environmental changes.

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Overview

Introduction

The purpose of these Grant Management and Administration policies and procedures is to develop, implement, and maintain meaningful grant oversight and coordination for Working Dogs For Vets, thereby increasing grant-related revenue, limiting Working Dogs For Vets' exposure to grant-related legal liability, and improving the efficiency and impact of programs and services funded through grants.

Policy Statement

To ensure consistency and accountability in securing and managing grant funds, all grant applications must be submitted through the WDFV Grants Administration Office, which shall oversee all requests, application submissions, acceptances, and post-award and closeout requirements, including programmatic and financial reporting. The Fiscal Services Division has sole authority for the drawdown of funds and must review/approve financial reports before submission.

Key Resources for Federal Grants Management

For grants awarded on/after December 26, 2014, the Office of Management and Budget (OMB) recently incorporated OMB Circulars A-21, A-87, A-89, A-102, A-110, A-122, and A-133 into a single document. Grants awarded before December 26, 2016, follow the circulars above. The new document, now titled 2CFR, Uniform Administrative Requirements for Federal Awards, is located in Title 2 of the Code of Federal Regulations at [Federal Register: Uniform Administrative Requirements, Cost Principles, and Audit](#)

The new guidance streamlines the previous circulars into one document. The guidance is divided into subparts for acronyms and definitions, general provisions, pre-federal award requirements and contents of federal awards, post-federal award requirements, cost principles, and audit requirements.

DUNS Number and SAM Account

Dun & Bradstreet (D&B) issues a DUNS Number, a unique nine-digit identification number required to apply for US federal government contracts or grants. The Fiscal Services Division is solely responsible for managing and obtaining DUNS numbers for the Council.

The System for Award Management (SAM) combines the federal procurement systems and the Catalog of Federal Domestic Assistance (CFDA) into a single system. The Fiscal Services Division has the sole

responsibility of establishing and maintaining SAM accounts and submitting financial-related information and funds drawdowns

Definitions

Activities: A logic model component that describes what a program does with the inputs to fulfill its mission. Activities include the strategies, techniques, and types of treatment that comprise a program's service and methodology.

Award: Financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and other agreements in the form of money or property in lieu of money by the grantor to an eligible recipient. The term does not include technical assistance, which provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies, or insurance; direct payments of any kind to individuals; and contracts which are required to be entered into and administered under procurement laws and regulations.

Cash Match: Includes actual cash spent by grant recipients for project-related costs. Accounting records should be verifiable and traced back to source documentation.

Contracts: Written agreements entered by the awarding agency, recipients or sub-recipients, and commercial (profit-making) and non-profit organizations. Except for a few justified sole source contracts, all contracts are filled through the State's competitive bid process.

Direct Cost: Costs that can be specifically identified with a particular cost objective or program charged directly as a part of the program's cost.

Drawdown: A process whereby a request is made to receive federal funds, either as reimbursement for expenses incurred or in advance in anticipation of expenditure of funds.

Fund Source: A fund source identifier is a (State's) five-digit code used to designate revenue sources and track expenditures against those revenues. Fund source identifiers are also utilized to account for assets, liabilities fund balances and/or net assets for a specific funding source. For Federal programs, a separate fund source must be established for each grant received.

Grant: A financial award given by the federal, state, or local government or a private entity to an eligible grantee, usually with a defined scope of activities or programmatic objectives. Grants are not expected to be repaid by the recipient. Grants do not include technical or other financial assistance such as a loan or loan guarantee, an interest rate subsidy, direct appropriation, or revenue sharing.

Grantor: Primary awarding agency (e.g., federal, state government).

Grantee: The direct recipient of a grant award who is legally bound by the grantor's award or contract.

Indirect Cost: Costs incurred by a grantee organization for common or joint objectives which, therefore, cannot be identified specifically with a particular project or program.

In-kind Match: In-kind match does not involve a monetary transaction. 'In-kind' is the value of something received or provided which is beneficial to the program but for which no cash exchanges hands. In-kind contributions related to a particular grant program must be allowable under the grant program, verifiable from

grantee records, necessary and reasonable, allowable under cost principles, and not included as a contribution under any other award.

Match: The grant recipient's share of the project cost. Under Federal grants, match is restricted to the same use of funds as allowed for the Federal funds. Match must be directly related to the project goals and objectives and documented in the same manner as grant-funded activities. See cash match and in-kind match.

Program Income: Gross income earned by the recipient during the funding period as a direct result of the award.

Program Manager: The lead staff member who conducts the activities under a particular grant program.

Project Period: The total time for supporting a funded project has been programmatically approved. A project period may consist of one or more budget periods.

Reimbursable Grant: A reimbursable grant provides funding to grant recipients after expenses have been incurred. The grantee must follow a certain procedure to obtain the reimbursement for project expenses. Reimbursements are provided on a set payment schedule after the organization has submitted sufficient documents to verify expenses.

Sub-recipient: The legal entity to which a sub-award is made and accountable to the recipient for using the funds provided. Sub-recipient and sub-awardee are interchangeable terms.

Sub-award: An award of financial assistance, generally a monetary award, made to a sub-recipient due to a Federal award made to a direct grant recipient or contractor to a sub-recipient or sub-contractor, respectively.

Sub-grant: An award of financial assistance made under a grant by a direct grantee to an eligible sub-grantee. The term includes financial assistance when provided by contractual legal agreement, but does not include procurement purchases, nor does it include any form of assistance, which is excluded from the grant definition in this part.

Supplanting: Federal law prohibits recipients of federal funds from replacing state, local, or agency funds with federal funds. Existing funds for a project and its activities may not be displaced by federal funds and reallocated for other organizational expenses. "Supplant" means to "replace" or "take the place of." "Supplement" means to "build upon" or "add to."

Questioned Costs: Costs that, in the opinion of the auditor, may not comply with or may not be consistent with the requirements outlined in contracts, statutes, or regulations governing the allocation, allowability, or reasonableness of costs charged to awards and programs, and thus may not be reimbursable.

Grant Management Roles and Responsibilities

Department Heads (or Program Managers) Departments that apply for and utilize grant funds, with assistance from the WDFV Grants Administration Office, are responsible for conducting all grant-related activity, including planning for grant acquisition; preparation and submission of grant proposals, including proposals for continuing current awards; grant writing; preparing departmental budget revision requests to accept grant funds; preparing Working Dogs For Vets agenda items to accept grant awards; developing grant implementation plans; managing grant programs and projects; preparing and submitting programmatic reports to grantors; and properly closing out grant projects as detailed in this policy and in the grant agreement or award letter that delineates the terms and conditions of the grant. Department heads are assisted with the financial and technical management of the grant by the Grants Administration staff and the Fiscal Services Division.

Grants Administration Office

Grants Administration staff is responsible for general management and administration of Working Dogs For Vets grant activities; identifies grant opportunities; provides “pre-award” and “post-award” technical assistance to departments to enhance programmatic administration of grants; assists in preparing grant budgets; submits grant reimbursement requests, prepares and submits grant budget revisions; reconciles grant accounts in coordination with the Fiscal Services Division; ensures programmatic reporting requirements are met; and identifies and investigates issues that may arise concerning the management of agency grants.

Fiscal Services Division

The Fiscal Services Division is responsible for the oversight of grant-related financial activity. In this role, the Fiscal Services Division reviews financial reports generated by the Grants Administration Office. It provides oversight of other grant-related issues, including proper budgeting and accounting. The Fiscal Services Division has sole authority for the “drawdown” of funds and must approve all financial reports and reimbursement requests before submission

Working Dogs For Vets, General Counsel Provides a legal review of all grants and contracts, including memoranda of understanding and employment or procurement contracts arising from the implementation of a grant program; ensures statutory compliance and conformity to Federal and State law, as well as rules and policies of Working Dogs For Vets.

Executive Director The Executive Director, acting on behalf of Working Dogs For Vets, is the “Authorized Official” on all grants. The Executive Director has the authority to approve and sign grant applications for Working Dogs For Vets at the time of application submission and sign grant agreements approved by the Working Dogs For Vets organization board.

Application (Pre-Award)

The department considering an application for a grant is responsible for pre-application assessment, in which, at a minimum, the factors listed below shall be evaluated in consultation with grant administration and fiscal staff. Pre-application assessment shall be done well before grant submission due dates to avoid last-minute delays or problems that could cause the grant deadline to be missed.

Pre-Application Assessment

Financial

- Total anticipated project cost
- Match requirements and sources
- Costs that the organization will incur as a result of implementing the grant program that will not be recouped in the grant award.
- Program income considerations
- Staffing requirements (including salary and benefits increases for multi-year grants)
- Documentation of a clear continuation plan. It is required that departments develop continuation plans (plans for sustaining grant-funded programs if funding is reduced or terminated) before applying for grants, which reflect the potential for loss of funding and the subsequent loss of grant-funded positions or program components. Departments must plan responsibly for either termination or reduction of the program or seek to secure alternative sources of funding. If activities will not be continued absent grant funding, this should be indicated as well.

Programmatic

- Alignment with Working Dogs For Vets strategic priorities and/or the department's business plan
- Provision or expansion of services to address critical needs
- Department's capacity to administer the programmatic and administrative aspects of the grant

Application Submission

The purpose of this policy is to ensure that each grant application submitted by or on behalf of Working Dogs For Vets has aligned with an established Working Dogs For Vets priority, meets Working Dogs For Vets expectations of document quality, has matching funds available if required by the grantor, and that the means for continuation of the project or program after the grant period ends has been given realistic consideration. The department submitting the grant application ensures that the pre-application assessment factors noted above have been evaluated and completed before submission.

Application Submission Procedure

a) Approval to submit a grant application shall be presented to the Executive Director only after obtaining signatures from:

- (1) Department Director (Program Manager)
- (2) Grant Administration Office
- (3) CFO
- (4) Board Members

b) If the grantor requires Board approval at the time of submission, the Program Manager must coordinate with the Office of Grant Administration to get consideration for approval on the Council meeting agenda before the submission deadline.

c) The Office of Grant Administration will critically review grant applications to ensure accuracy, document quality, coordination, and policy and procedure are followed.

Award Notification, Review, and Acceptance

Grant agreements are legal contracts. Working Dogs For Vet's responsible for carrying out the project and/or activities associated with a grant to accomplish its objectives while adhering to all of the terms and conditions prescribed by the grantor. Failure to do so increases Working Dogs For Vet's exposure to legal liability and compromises current and future grant funding. Therefore, Working Dogs For Vets carries a significant legal and ethical responsibility when accepting grant funding

The award notification, review, and acceptance process has two components: (1) award notification and board review and (2) Working Dogs For Vets approval to accept the award.

1. AWARD NOTIFICATION AND REVIEW PROCEDURE

a) All departments that receive a grant award shall date stamp, duplicate, and forward a copy of the award notification, the grant agreement or contract, and any memoranda of understanding to the Office of Grant Administration within two days of receipt.

b) The department is responsible for reviewing the grant award and ensuring that the General Counsel conducts a legal review and that board approval to accept the award is completed by the date required by the grantor for full execution.

c) If funds awarded by the granting entity are reduced from those requested in the original grant application, or factors previously evaluated at the time of application have changed, the department must ensure that the goals, objectives, and evaluative components of the grant can still be accomplished within the prescribed timeframe set by the grantor.

d) If award terms need to be amended before the grant award can be accepted, the department must negotiate with the grantor and obtain changes to the grant award in writing.

1. If the award terms are negotiated to the department's satisfaction, the department must request that the grantor provide the changes in writing. When the grantor receives the changes in writing, the department must submit the grant agreement or contract, any memoranda of understanding, and written changes from the grantor to the Working Dogs For Vets Office of Grant Administration within two business days of receipt.
2. If the award terms cannot be negotiated to the department's satisfaction, the Department Director upon authorization of the Working Dogs For Vets Executive Director, the submitting department must prepare a letter to the granting entity to decline the award and provide a copy of the letter to General Counsel, the Office of Grant Administration, and the Fiscal Services Division.

e) The Working Dogs For Vets board shall conduct a legal review of the grant agreement to assess whether the terms and conditions of the agreement are legally enforceable and ensure Working Dogs For Vets' interests are protected before the department's submission of Working Dogs For Vets agenda item to accept grant funds

- (1) If the legal review identifies any potential legal issues stemming from the terms and conditions of the agreement, the submitting department must contact the granting entity and seek to resolve the issue
- (2) If a resolution cannot be reached, upon authorization of the Working Dogs For Vets Executive Director, the submitting department must prepare a letter to the granting entity to decline the award and provide a copy of the letter to the General Counsel, the Office of Grant Administration, and the Fiscal Services Division. The letter should express Working Dogs For Vets' regret in declining the award and clearly articulate the specific reason(s) the award is being declined.
- (3) If the legal review identifies no potential legal issues stemming from the terms and conditions of the agreement, the department may submit a "Council Agenda Item" to accept grant funds.

3. BOARD APPROVAL TO ACCEPT AWARD PROCEDURE: this policy aims to ensure that acceptance of each award granted to the Agency is formally authorized by Working Dogs For Vets.

- a) The department receiving the grant award must prepare a council agenda item and fiscal impact statement and submit it for Working Dogs For Vets approval before any funds from the granting entity are accepted, appropriated, or expended. The agenda item must accompany the award letter, grant agreement, and any other required documentation.

b) Once Working Dogs For Vets has approved the grant award, the recipient department shall notify the Office of Grant Administration and the Fiscal Services Division of the Council's action.

c) The department must provide the Working Dogs For Vets Grants Administration Office and the Fiscal Services Division with a copy of the award letter and approved budget to request a budget revision to add the grant award to the department's budget. Each grant will be maintained in a separate fund source, project and/or organizational code. Separate accountability by funding source shall be maintained, and all Federal programs must be properly identified by their individual CFDA numbers.

a) The department is responsible for submitting any required award activation documents to the grantor by the grant award due date. The department will be assisted with the technical aspects of activating a grant by the Grants Administration Office staff.

Post-Award (Grant Execution and Reporting)

Use and Receipt of Grant Funds

This policy aims to ensure that grant funds are properly used and received by the Working Dogs For Vets Organization. Violations can result in a range of penalties, including suspension of future funds from the grantor, return of all funds associated with the award, including those already expended, and civil and/or criminal penalties.

1. No grant funds shall be disbursed until council agenda items have been approved Working Dogs For Vets board, a budget revision request has been submitted to the Fiscal Services Division, an award letter has been received from the awarding agency, and a project and fund source established in the accounting records
2. Modifications to the budget associated with a grant-funded project in such a way that alters the grant amount or moves funds from one budget line item to another must adhere to Working Dogs For Vets policy and procedures for budget modifications and grantor requirements.
3. Grant funds awarded to Working Dogs For Vets shall not be used to supplant an existing expense so that current funds can be diverted to another use unless such grant funds are explicitly identified as allowable in writing by the granting entity in the grant award.
4. All income from a grant-funded project or program shall adhere to Working Dogs For Vets policy and procedure and be managed and maintained as established in the award letter, grant agreement, contract, special conditions, or other document generated by the granting entity.
5. All procurement activity associated with grant-funded projects or programs shall follow the procedures outlined in the Working Dogs For Vets Purchasing Policy, Fiscal Policies and Procedures Manual and statewide procurement requirements published by the Department of Administrative Services.
6. All property acquired through grant funds shall be subject to the Working Dogs For Vets Purchasing Policy, statewide procurement requirements published by the Department of Administrative Services, and restrictions and requirements set forth within the terms of the grant, including any applicable federal rules or regulations.

7. All grants and related matching fund revenues and expenditures shall be recorded in the grant fund source/project. Any revenues or expenditures that occur in another program/project that apply to a grant or that are used as a match shall have a journal entry (JE) made to put the revenues or expenditures in the appropriate grant project with a detailed explanation, including original G/L date and batch information.

8. with assistance from the Grants Administration Office, grant project managers are ultimately responsible for adhering to the stipulations outlined in the approved grant award/contract to ensure that allowable expenditures are incurred.

Grant Oversight and Monitoring

This policy ensures that all grant-funded programs or projects are managed according to the terms outlined in the grant agreement, Grant Management and Administration Policies and Procedures, and other applicable Working Dogs For Vets policies and procedures.

IMPLEMENTATION PLAN

a) All departments that receive grant awards must develop an implementation plan. The plan must be submitted to the Office of Grant Administration and the Fiscal Services Division within 15 days of Working Dogs For Vets approving a grant award.

b) Departments with existing work plans that provide the elements noted below and plans already included in the grant application or grant award are acceptable implementation plans.

c) The grant implementation plan shall have the following elements:

- (1) Project overview
- (2) Project goals and objectives
- (3) Identification of activities and dates
- (4) Identification of roles and associated responsibilities
- (5) Anticipated expenditure schedule

(6) Evaluation matrix that identifies the measurable objectives, the metrics used to measure them, the anticipated completion date, and fields to enter the actual completion date and outcome measures.

Programmatic Reporting and Reimbursement

Grants awarded to Working Dogs For Vets may require that progress, programmatic, and financial reports be submitted to the grantor. Accurate and timely reporting is critical to maintaining a good relationship with the grantor. Late or inaccurate reports may negatively impact current or future funding.

Grant Reporting Procedure

a) Recipient departments must prepare timely and accurate progress or programmatic reports as required by the grantor.

- b) The Grants Administration Office shall submit all financial reports, grant budget adjustments, and reimbursement requests to Working Dogs For Vets for review and approval before submitting them to the grantor. The Grants Administration Office must provide support or reconciliation to the general ledger.
- c) The Fiscal Services Division will review the financial reports for content and quality and address any issues with the Grants Administration Office.
- d) Upon satisfaction with the report, the Fiscal Services Division will contact the Grants Administration Office and authorize the report be submitted to the grantor. A copy of the report will be maintained in the master file.
- e) Programmatic reports shall be submitted to the Grants Administration Office. The Grants Administration Office will review any programmatic reports for content and quality and address any issues with the recipient department. Upon satisfaction with the report, the Office of Grant Administration will place a copy in the master file.
- f) Copies of all financial status and final reports prepared for submission to the grantor shall be provided, along with the associated grant name and year, to the Office of Grant Administration at the time of submission to the grantor.

File Management, Access, and Retention

The Grants Management Administrator and/or the Chief Financial Officer or their designee may review the files, activities, equipment, and facilities and interview Grant Management Policies and Procedures Fiscal Policies & Procedures Page | 13 relevant personnel and contracted entities of any Working Dogs For Vets project or program that is funded with grants awarded to Working Dogs For Vets.

1. FILE MANAGEMENT PROCEDURE

The Grants Administration Office shall maintain the master file, and a copy of all grant proposals or applications, award letters, memoranda of understanding, contracts, and programmatic and financial reports shall be maintained in the file.

All department and master files associated with a grant award must maintain a file structure that includes, at minimum, the following four sections with clear separations between different fiscal years unless otherwise directed by the grantor:

- a.) Application or Proposal (e.g., application guidance, a copy of the application, and research including statistical information used in the preparation of and support of the grant)
- b.) Award Documents (e.g., award letter, council agenda item, grant agreement, grant amendments, modifications, extensions, cancellations and terminations, and anything else related to the award)
- c.) Finance (e.g., account set up, purchase orders, invoices, reimbursement requests)

- d.) Programmatic Reports (e.g., reports to granting entity and evaluation components)

2. FILE RETENTION PROCEDURE

Working Dogs For Vets, in accordance with State records retention policy, maintains its programmatic records for at least three years following the closure date of the grant award. Accounting records are maintained for at least five years following the closure of its most recent audit report. If any litigation, claim, negotiation, audit, or other action involving grant records has been started before the expiration of the five-year period, the records must be retained until completion of the action and resolution of all issues that arise from it, or until the end of the regular five-year period, whichever is later.

- a) Grantors may require retention periods over five years. Departments must ensure they comply with retention requirements specified by each grantor.
- b) Retention requirements extend to books of original entry, source documents supporting accounting transactions, the general ledger, subsidiary ledgers, personnel and payroll records, canceled checks, and related documents and records.
- c) Source documents include copies of all awards, applications, and required recipient financial and narrative reports. Personnel and payroll records shall include time and attendance reports, personal activity reports, or equivalent documentation for all individuals reimbursed under the award. d) Recipient departments are also obligated to protect records adequately against loss, theft, fire, or other damage in accordance with statutory provisions.

Grant Closeout

Upon completion of the grant term of each grant award, the recipient department shall alert the Fiscal Services Division to place the grant's fund source and/or project in a no-posting status.

Grant Closeout Procedure

- a. Upon completion of the grant period of each grant, the recipient department must prepare a memorandum to the Fiscal Services Division and Office of Grant Administration that identifies the name of the grant, the project number, and describes the final disposition of the funds and required activities.
- b. Upon reviewing the memorandum and satisfying any discrepancies, the Fiscal Services Division will update the budget and accounting system and confirm grant closeout with the Office of Grant Administration.
- c. The grant closeout memo shall be placed in the grant's master file

Appendix A: Federal Grants Management Accounting System

2 CFR, Part 200 prescribes the standards for financial management systems.

Subsection (a) says, "A State must expend and account for grant funds in accordance with State laws and procedures for expending and accounting for its funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to:

- (1) Permit preparation of reports required by this part and the statutes authorizing the grant, and
- (2) Permit the tracking of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes."

Subsection (b), paraphrased below, is generally applicable to all grantees and sub-grantees:

- **Financial Reporting**—accurate, current, and complete disclosure of financial results.
- **Accounting Records**—maintenance of records that adequately identify the source and application of funds.
- **Internal Control**—maintenance of effective control and accountability for all grants and subgrants.
- **Budget Control**—comparing actual expenditures or outlays to budgeted amounts for each grant or subgrant.
- **Allowable Costs**—grant expenditures determined by applying appropriate OMB cost principles, agency program regulations, and the terms of grant and subgrant agreements.
- **Source Documentation**—documentation maintained to support accounting records.
- **Cash Management**—procedures to minimize the time between the transfer of funds from the federal government and the disbursement by the grantee or subgrantee.

Appendix B: Accounting and Budgeting for Federal Funds

State guidelines on accounting for Federal funds are outlined below. The Fiscal Services Division must ensure that transactional data is maintained in such a manner as to fulfill all financial reporting requirements.

Notice of Award. Upon receipt of an approved award of Federal funds, and before recording transactions relating to the grant, the fiscal team must perform the following set-up activities:

- Create a unique fund source to identify each individual grant award.
 - ◆ Fund source description should include title of the grant
 - ◆ The fund type selected for fund source must be "Federal."
 - ◆ CFDA number assigned by the grantor agency must be entered
 - ◆ Request the addition of a new fund source to budget trees. Instructions and forms for adding new tree values may be found on the following web link: [Financial Tree Maintenance \(http://sao.georgia.gov > Financial Systems > PeopleSoft Financials > Commitment Control > Forms\)](http://sao.georgia.gov)
- Assign project number(s) as appropriate to account for grant activity in accordance with the grant award (project numbering is agency-defined).

Budgeting. Federal funds must be amended into each Department's budget. In the BudgetNet system, as in the accounting records, federal funds must be separately identified.

Expenditures. All purchases should be made in accordance with Working Dogs For Vets procurement policies and statewide directives issued by the Department of Administrative Services. Qualifying expenditures/expenses should be reported when incurred. All contractual obligations (including encumbrances) should be recorded using the assigned fund source and project numbers, should be charged to the appropriate

budgetary program, and should be posted to expenditure accounts in accordance with definitions provided in the State's Accounting Procedures Manual. The following General Ledger chart-fields will be required for each expenditure transaction:

Sample Expenditure Transaction:

Business Unit	Account	Dept	Fund	Fund Source	Program	Project	Budget Period	Amount
40700	707001	407xxxxx	10100	1L001	6180103	123	2009	10,000.00
40700	202001	407xxxxx	10100	1L001	6180103	123	2009	(10,000.00)

Revenues. Revenues should be recorded at least monthly based on the type of grant received. The principal types of grants and financial assistance received by State organizations are described below, along with the associated revenue recognition criteria. Federal stimulus revenue should be charged to account 431xxx (for grant funds received directly from a Federal agency) or account 432xxx (for Federal funds received through an organization other than the Federal government). Grant revenue should be recorded using the assigned fund source and project numbers and should be charged to the appropriate budgetary program

- Expenditure-Driven Grants (reimbursement grants) – Based on grant availability, revenue should be recorded when qualifying expenditures have been incurred, and any additional grant requirements have been met (e.g., matching, maintenance of effort, etc.). To record revenue on expenditure-driven grants, “qualifying expenditures” include encumbrances.

- Entitlement and Shared Revenues (formula grants) – Revenue should be recorded as soon as it is measurable and available and all eligibility criteria have been met. Revenues should only be recognized for the period they are intended to finance. Entitlements and shared revenues that are collected in a fiscal year before the fiscal year they are intended to finance should not be reported as revenue but should rather be reported as deferred revenue

- Pass-Through Grants – State organizations may receive grants or other financial assistance to transfer or spend on behalf of other secondary recipients. Revenue should be recognized when all eligibility requirements have been met, and the resources become available, which typically is considered to occur when the resources are, in fact, transmitted to their intended final recipient.

The following General Ledger chart-fields will be required for each revenue transaction:

Sample Revenue Transaction (Earned):

Business Unit	Account	Dept	Fund	Fund Source	Program	Project	Budget Period	Amount
40700	122001	407xxxxx	10100	1L001	6180103	123	2009	10,000.00
40700	431001	407xxxxx	10100	1L001	6180103	123	2009	(10,000.00)

Sample Revenue Transaction (Deferred):

Business Unit	Account	Dept	Fund	Fund Source	Program	Project	Budget Period	Amount
40700	101001	407xxxxx	10100	1L001	6180103	123	2009	10,000.00
40700	250001	407xxxxx	10100	1L001	6180103	123	2009	(10,000.00)

Cash Management. Cash must be drawn from the United States Treasury in accordance with the applicable provisions of the Cash Management Improvement Act of 1990.

General Ledger Accountability. Reconciliations shall be performed monthly to ensure that all general ledger balances are supported by subsidiary ledgers (modules) or other appropriate documentation. Trial Balances by Fund Source Detail (SAO PeopleSoft report 44N) for Federal stimulus grants should be reviewed at least monthly. This examination should include a general review of revenue and expenditure accounts and a determination of the ending fund balance for the fund source, which may also be determined by using the PeopleSoft Balance Sheet by Fund Source Detail (SAO PeopleSoft report 4EB). Appropriate action shall be taken to correct errors discovered during the reconciliations, the fund source trial balance review, and the fund balance analysis as described below:

Deficit Fund Balance –Generally, no deficit fund balances should be reflected for any type of grant or other financial assistance. If the fund balance analysis results in a deficit fund balance, determine whether deferred revenues are recorded that should have been recognized as current period revenue. If deferred revenues are available, reverse sufficient deferred revenues to the appropriate revenue account (debit deferred revenue; credit revenue) in an amount sufficient to bring the deficit fund balance to zero. If no deferred revenues are available, determine why recorded expenditures exceed recorded revenues. Suppose expenditures have been appropriately recorded for this grant. In that case, additional grant revenue is available, and applicable eligibility requirements have been met, accrue sufficient accounts receivable and revenue to bring the deficit fund balance to zero.

- Positive Fund Balance – There should be no fund balance on hand for expenditure-driven or reimbursement-based grants, which comprise the Fiscal Policies & Procedures Page | 19 majority of grants received by State organizations. If the fund balance analysis results in a positive fund balance, determine whether it is appropriate for this grant to retain a fund balance at period-end. If it is not appropriate for a fund balance to exist and the recorded fund balance is offset only by cash (no accounts receivable for this program are recorded), sufficient revenues should be reduced and reclassified to deferred revenues to bring the fund balance to zero (debit revenue; credit deferred revenue). If the fund balance is offset by cash and accounts receivable, revenue and accounts receivable should be eliminated to bring the fund balance to zero (to the extent that accounts receivable are available), with any remaining fund balance being eliminated through a reclassification of revenue to deferred revenues as previously described.
- Return Excess Revenue: If, during reconciliation, it is determined that the agency has received revenue above expenditures on an expenditure- or reimbursement-driven grant, excess revenue shall be returned to the granting agency.