

Seminar on Financial Management



Office of Justice Programs
Office of the Chief Financial Officer

Financial Management Systems

Financial Management Systems

- **All recipients are required to:**
 - ✓ **Establish/maintain auditable accounting records;**
 - ✓ **Accurately account for funds awarded; and**
 - ✓ **Funds for each award must be accounted for separately from other grants and other funding sources.**
- **Records shall include Federal, matching, and program income.**

Financial Management Systems

- States and locals shall expend/account for grant funds per Federal or State laws & procedures for their funds.

(whichever are more restrictive)

Financial Management Systems

Accounting and Internal Controls:

- Proper stewardship of Federal resources is an essential responsibility of the grantee organization.
- Grantees must ensure that Federal programs and resources are used efficiently and effectively to achieve desired objectives.

Financial Management Systems

Internal Controls and Segregation of Duties:

- Strong internal controls ensure effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations.
- Proper segregation of duties is a critical element of adequate internal control.

Financial Management Systems

Adequate Accounting System:

- Grantee must maintain an adequate system of accounting and internal controls and ensure that an adequate system exists for each of its subrecipients.

Financial Management Systems

Adequate Accounting System:

- Presents and classifies costs, as required for budgetary and evaluation purposes.**
- Provides cost and property control to ensure optimal use of funds.**
- Controls funds/resources to assure conformance with general or special conditions.**

Financial Management Systems

An adequate accounting system:

- Meets requirements for periodic reporting.
- Provides financial data for planning, control, measurement, and evaluation of direct and indirect costs.

Financial Management Systems

In summary, a Financial Management System must be able to record and report on the:

- ✓ Receipt;
- ✓ Obligation; and
- ✓ Expenditures of grant funds

Government-Wide Common Rules

Common Rule	Applicable to:
1. OMB A-102 "Uniform Administrative Requirements for Grants and Cooperative Agreements with State & Local Units of Government"	State & Local Units of Government
2. DEBARMENT AND SUSPENSION	State & Local Units of Government Non-Profit Organizations
3. DRUG-FREE WORKPLACE	State & Local Units of Government Non-Profit Organizations
4. LOBBYING RESTRICTIONS	State & Local Units of Government Non-Profit Organizations Indian Tribes and Tribal Organizations

Government-wide Common Rules

➤ **COMMON RULES**

- ✓ Committee of Federal agency representatives
- ✓ "Uniform" requirements
- ✓ Signed by Federal agencies
- ✓ Limited exceptions granted by OMB

Government-wide Common Rules

1. OMB A-102

“Uniform Administrative Requirements for Grants & cooperative Agreements with State & Local Governments”

Applicable to:

State & Local Units of Government

Government-wide Common Rules

2. SUSPENSION AND DEBARMENT

Applicable to:

- State & Local Units of Government
- Non-Profit Organizations

Excluded Parties List System

<http://www.epls.gov/>

Government-wide Common Rules

Suspension & Debarment (S & D)

- Who is covered? Direct recipients and subrecipients.
- Exemption from certification: Direct recipients of a statutory entitlement. (BJA, OVC, OJJDP formula awards)
Subcontractors receiving \$100k or less

Government-wide Common Rules

3. DRUG-FREE WORKPLACE

Applicable to:

- State & Local Units of Government
- Non-Profit Organizations

Government-wide Common Rules

Drug-Free Workplace (DFW):

- Who is covered? Direct recipients and subrecipients who are state agencies.
- Exemptions: Subrecipients other than state agencies.

Government-wide Common Rules

4. LOBBYING

- Who is covered?
Direct and subrecipients.

- Note: Any violation of this prohibition is subject to a minimum \$10,000 fine for each occurrence.

Government-wide Common Rules

LOBBYING RESTRICTIONS

Applicable to:

- State & Local Units of Government
- Non-Profit Organizations
- Indian tribes and tribal organization
- Commercial Entities
- Individuals (direct or indirect)

CODE of FEDERAL REGULATIONS (2 CFR/Part – 225)

also known as OMB Circular A-87

**Cost Principles for State, Local,
and Indian Tribal Governments**

Code of Federal Regulations

Major Provisions

REQUIRES THAT A COST BE:

- Allowable**
- Necessary to the performance of a project**
- Reasonable**
- Allocable to the project and consistently treated**

Code of Federal Regulations

Major Provisions

REQUIRES THAT A COST BE: (continued)

- Non-profitable**
- Claimed against only one award, and**
- Permissible under State & Federal laws and regulations**

Code of Federal Regulations

Major Provisions

CLASSIFICATION OF COSTS

CLASSIFICATION OF COSTS

DIRECT COSTS:

**Costs identified specifically
with an activity**

CLASSIFICATION OF COSTS

DIRECT COSTS, generally include:

- **Salaries and Wages (including holidays, sick leave, etc.) for direct labor employees**
- **Other employee fringe benefits allocable to direct labor employees**

CLASSIFICATION OF COSTS

DIRECT COSTS, generally include:

- **Consultant services contracted to accomplish specific project objectives**
- **Travel of direct labor employees**
- **Material/supplies purchased directly for use on a specific project**

CLASSIFICATION OF COSTS

INDIRECT COSTS:

Costs that are not readily identifiable with a particular grant or contract

CLASSIFICATION OF COSTS

INDIRECT COSTS, generally include:

- **Maintenance of buildings**
- **Telephone expense**
- **Supplies**
- **Depreciation**
- **Rental expense**

CLASSIFICATION OF COSTS

INDIRECT COSTS RATES:

- **Provisional indirect costs rates adjusted to actual (retroactive adjustment)**
- **Predetermined rates (not normally subject to adjustment)**

CLASSIFICATION OF COSTS

INDIRECT COSTS RATES (continued):

- **Fixed rates (with roll or carry forward adjusted in future period)**
- **Implements cognizant Federal agency concept**

Code of Federal Regulations

Major Provisions

The regulation DOES NOT:

- **Supersede limitation imposed by law**
- **Dictate extent of Federal funds**
- **Provide additional Federal funds for indirect costs**

Code of Federal Regulations

Major Provisions

The regulation DOES NOT: (continued)

- **Dictate how a government should use funds**
- **Relieve State & local governments of stewardship responsibilities for Federal funds**

Code of Federal Regulations

SELECTED ITEMS OF COST

Code of Federal Regulations

Selected Items of Cost

- **Accounting**
- **Advertising**
- **Alcoholic Beverage**
- **Audit Services**

Code of Federal Regulations

Selected Items of Cost

- **Bad Debts**
- **Contingencies**
- **Contributions & Donations**
- **Entertainment**

Code of Federal Regulations

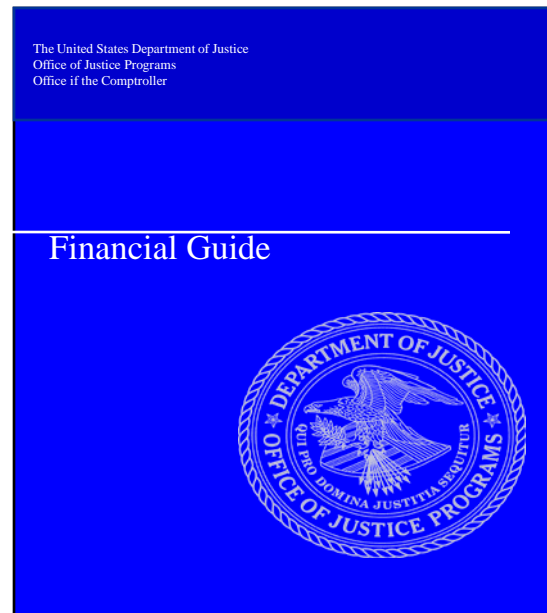
Selected Items of Cost

- **Fines/Penalties**
- **Fund Raising**
- **Rental Costs**
- **Under Recovery of Costs
under Federal Grants**

**Conditions of
Award**

Conditions of Award

1. The recipient agrees to comply with the financial and administrative requirements set forth in the current edition of OJP's "Financial Guide."



<http://www.ojp.usdoj.gov/financialguide>

Conditions of Award

- 2. The recipient agrees to comply with the organizational audit requirements of OMB Circular A-133, Audits of State, Local Governments and Non-Profit Organizations, as further described in OJP's Financial Guide, Chapter 19.**

Note: There is a different special condition for individuals and for-profit commercial organizations.

Conditions of Award

- 3. The recipient acknowledges that failure to submit an acceptable Equal Employment Opportunity Plan (if recipient is required to submit one pursuant to 28 CFR Section 42.302), that is approved by the Office of Civil Rights, is a violation of its Certified Assurance and may result in funds from the award being frozen, until such time as the recipient is in compliance.**

Conditions of Award

Anti-Lobbying Act:

4. Recipient understands and agrees that it cannot use any federal funds, either directly or indirectly, in support of the enactment, repeal, modification or adoption of any law, regulation or policy, at any level of government, without the express prior written approval of OJP.

Conditions of Award

- 5. The recipient must promptly refer to DOJ/OIG any credible evidence that a principal, employee, agent, contractor, subgrantee, subcontractor, or other person has either 1) submitted a false claim for grant funds under the False Claims Act; or 2) committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving grant funds. This condition also applies to any subrecipient.**

Conditions of Award

- Potential fraud, waste, abuse, or misconduct should be reported to the OIG by –
 - Mail:
Office of the Inspector General
U.S. Department of Justice
Investigations Division
950 Pennsylvania Avenue, N.W.
Washington, DC 20530
 - E-mail: oig.hotline@usdoj.gov

Conditions of Award

- OIG Hotline: (800) 869-4499
(contact information in English and Spanish)
- OIG Hotline fax: (202) 616-9881

Additional information is available from the DOJ OIG website at www.usdoj.gov/oig

Payment of Grant funds

Payment of Grant Funds

PAPRS

Need Help?

OJP - OCFO Customer Service Center

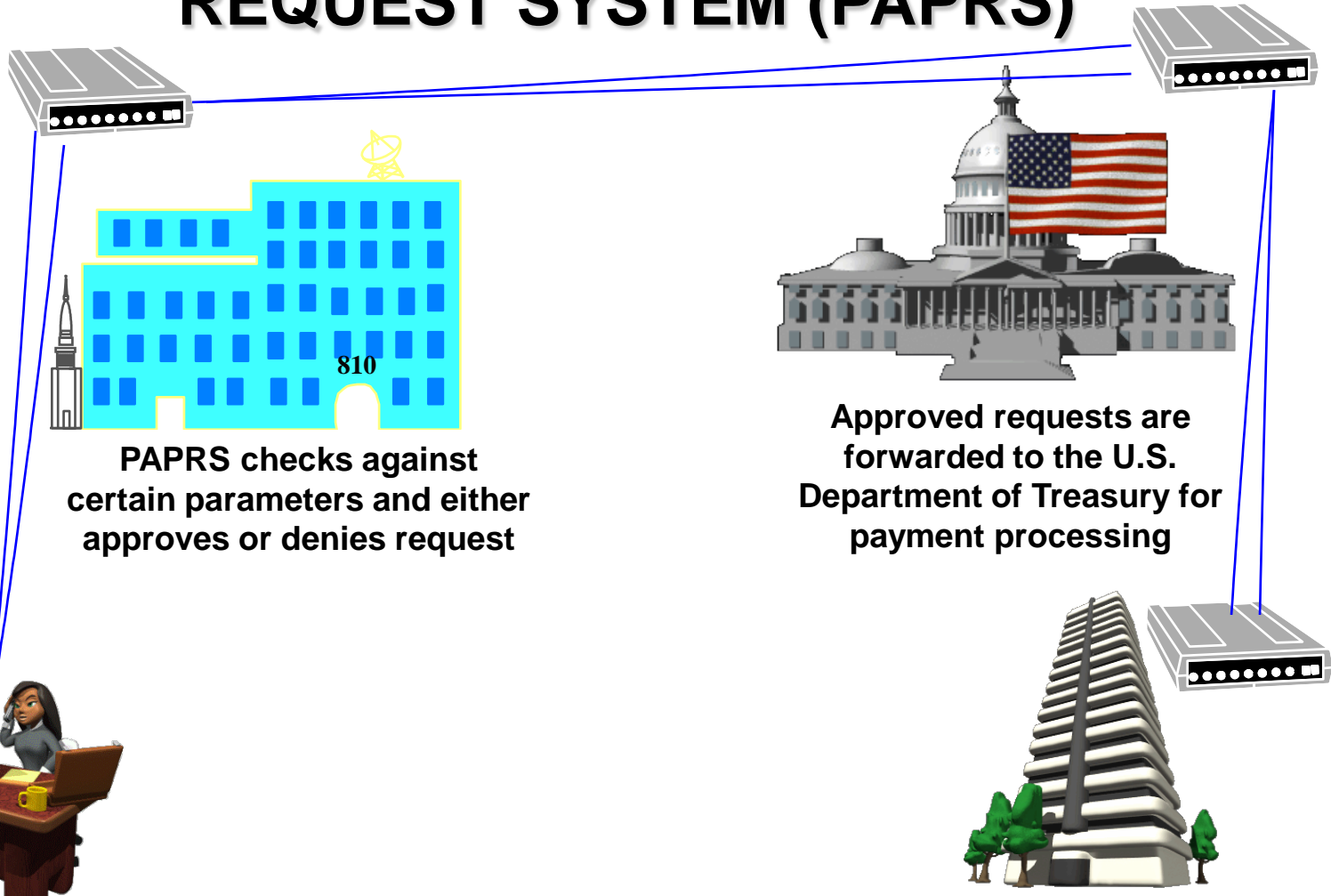
1-800-458-0786

COPS - DOJ Response Center

1-800-421-6770

Payment of Grant Funds

PHONE ACTIVATED PAPERLESS REQUEST SYSTEM (PAPRS)



PAPRS checks against certain parameters and either approves or denies request

Approved requests are forwarded to the U.S. Department of Treasury for payment processing

Grantee calls directly to OJP by using a touch tone telephone requesting funds

Funds are deposited into the Grantee's bank account, usually within 72 hours

TOP TEN TIPS

PAPRS PROCESS

1. Have signed & returned award document
2. Have current SF-425 on file

TOP TEN TIPS

PAPRS PROCESS

3. Have met all special conditions
4. Have submitted an ACH Enrollment Form

TOP TEN TIPS

PAPRS PROCESS

5. Have OJP vendor number
6. Have a PIN number

TOP TEN TIPS

PAPRS PROCESS

7. Have a Grant ID number
8. Double checked dates for duplicate request

TOP TEN TIPS

PAPRS PROCESS

9. Know the amount you are requesting
10. Pay attention to system responses

At the end of the award period, drawdown all allowable expenses within 90 days

Payment of Grant Funds

New Web Based Payment Request System

- PAPRS will be upgraded to Grant Payment Request System (GPRS)
- Online drawdown requests for OJP, OVW and COPS
- Scheduled to be released in 2010

Payment of Grant Funds

New Web Based Payment Request System

- Ability to view and print a transaction history for an award
- Summary of award information:
 - ✓ Award Amount
 - ✓ Hold Amounts
 - ✓ Last SF-425 submission
- Ability to cancel pending payment requests
- Secure Individual log in

**Reporting
Requirements**

Reporting Requirements

REPORT	SYSTEM
Section 1512(c) Cumulative reporting for Recovery Act Awards	FederalReporting.gov
FFR/SF-425 Federal Financial Report (Formerly SF-269)	Grants Management System (GMS)
Progress Reports Program/Project Activity Reports	Grants Management System (GMS)
Performance Measures	Performance Measurement Tool (PMT) Grants Management System (GMS)
Other Reports (Conference cost reporting, etc.)	Grants Management System (GMS)

Federal Financial Report (SF-425)

Federal Financial Report (SF-425)

- Quarterly Federal Financial Reports are submitted through the Grants Management System (GMS) at <https://grants.ojp.usdoj.gov>.
- Effective October 1, 2009, grant recipients will be required to report grant expenditures utilizing the Federal Financial Report Form (SF-425). This form replaced the Financial Status Report (FSR), known as the SF-269.

Federal Financial Report (SF-425)

- Financial information reported on the SF-425 is similar to the SF-269.
- The SF-425 quarterly report must be submitted no later than 30 days after the end of each calendar quarter.



Office of Justice Programs



Welcome to the
Grants Management System

[Click here for Training Material](#)

CLICK HERE



[GMS Sign-In](#)

[New User? Register Here](#)

[LLEBG Sign-In](#)

[Home](#)



Grant Management System



Notice: OVC VOCA Administrators. The Annual VOCA performance reports are in GMS. Please review the job aids. The link is: <https://grants.ojp.usdoj.gov/gmsHelp/index.html>

Effective October 27, 2007, all OJP and OVW grantees must submit their financial status reports in OJP's Grants Management System. Directions on how to use the new module can be found at http://www.ojp.usdoj.gov/funding/FSR_User_Manual.pdf

Applicant Sign In

User ID:

Password:

[First Time User?](#)

[Forgotten your password?](#)

NOTICE TO USERS This is a Federal computer system and is the property of the United States Government. It is for authorized use only. Users (authorized or unauthorized) have no explicit or implicit expectation of privacy. Any or all uses of this system and all files on this system may be intercepted, monitored, recorded, copied, audited, inspected, and disclosed to authorized site, Department of Justice, and law enforcement personnel, as well as authorized officials of other agencies. By using this system, the user consents to such interception, monitoring, recording, auditing, inspection, and disclosure at the discretion of authorized site or Department of Justice personnel. Unauthorized or improper use of this system may result in administrative disciplinary action and civil and criminal penalties. By continuing to use this system, you indicate your awareness of and consent to these terms and conditions of use. LOG OFF IMMEDIATELY if you do not agree to the conditions stated in this warning. [Privacy, Security and Disclaimers](#)



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To request assignment and unassignment of awards, please select [Manage Assigned Awards](#).

Award Status:

BJA FY 09 Recovery Act Edward Byrne Memorial Justice Assistance Grant Program State Solicitation

Year	Award Number	Status	Grant Manager	Correspondence	Action
2009	2009-SU-B9-0019	<ul style="list-style-type: none"> Grantee Notified On 04/29/09 Active 	Name: Lawson, Flora Phone:(202) 305-9216 Fax: Other:	2 New Message(s)	Financial Status Reports



FY 09 Recovery Act - Victims of Crime Act (VOCA) Victim Assistance Formula Grant Program

Year	Award Number	Status	Grant Manager	Correspondence	Action
2009	2009-SG-B9-0113	<ul style="list-style-type: none"> Grantee Notified On 04/24/09 Active 	Name: Green, Kisha W Phone:202-616-3573 Fax: 202-514-6383 Other:	3 New Message(s)	Financial Status Reports

FY 09 Recovery Act - Victims of Crime Act (VOCA) Victim Assistance Formula Grant Program

Year	Award Number	Status	Grant Manager	Correspondence	Action
2009	2009-SG-B9-0113	<ul style="list-style-type: none"> Grantee Notified On 04/24/09 Active 	Name: Green, Kisha W Phone:202-616-3573 Fax: 202-514-6383 Other:	3 New Message(s)	Financial Status Reports

FY 09 Recovery Act - Victims of Crime Act (VOCA) Victim Compensation Formula Grant Program

Year	Award Number	Status	Grant Manager	Correspondence	Action
2009	2009-SF-B9-0087	<ul style="list-style-type: none"> Grantee Notified On 04/24/09 Active 	Name: Green, Kisha W Phone:202-616-3573 Fax: 202-514-6383 Other:	3 New Message(s)	Financial Status Reports



[Financial Status Reports](#)

[FSR Correspondence](#)


Financial Status
Report Handbook

*Required

Report Number: 3

[FSR Details](#)

[Previously Submitted
Reports](#)

 FEDERAL FINANCIAL REPORT (Follow form instructions)	
1. Federal Agency and Organizational Element to Which Report is Submitted	U.S. Dept. of Justice Office of Justice Programs (OJP)
2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR attachment)	2009-XX-XX-1234
3. Recipient Organization (Name and complete address including Zip code)	Smallville Police Department 123 Main Street Nicetown, USA 12356
4a. DUNS Number	808591127
4b. EIN	02-6002618
5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR attachment)	<input type="text"/>
* 6. Final Report	<input type="radio"/> Yes <input checked="" type="radio"/> No
* 7. Basis of Accounting	<input checked="" type="radio"/> Cash <input type="radio"/> Accrual
8. Project/Grant Period From: (Month, Day, Year)	03/01/2009
To: (Month, Day, Year)	02/28/2013
9. Reporting Period End Date (Month, Day, Year)	03/31/2010

[Help/Frequently Asked Questions](#)

[Financial Status
Reports Home](#)

[GMS Home](#)

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10. Transactions			
	Previously Reported	This Period	Cumulative
(Use lines a-c for single or multiple grant reporting)			
Federal Cash (To report multiple grants, also use FFR Attachment):			
a. Cash Receipts			
b. Cash Disbursements			
c. Cash on Hand (line a minus b)			
(Use lines d-o for single grant reporting)			
Federal Expenditures and Unobligated Balance:			
d. Total Federal funds authorized			\$6253755.00
* e. Federal share of expenditures	\$2000.00	\$ 17000.00	\$19000.00
* f. Federal share of unliquidated obligations			\$ 0.00
g. Total Federal share (sum of lines e and f)			\$19000.00
h. Unobligated balance of Federal funds (line d minus g)			\$6234755.00
Recipient Share:			
* i. Total recipient share required			\$ 3500.00
j. Recipient share of expenditures	\$2000.00	\$ 500.00	\$2500.00
k. Remaining recipient share to be provided (line i minus j)			\$1000.00
Program Income:			
l. Total Federal program income earned			\$ 400.00
m. Program income expended in accordance with the deduction alternative			
n. Program income expended in accordance with the addition alternative			\$ 400.00
o. Unexpended program income (line l minus line m or line n)			\$0.00

* 11. Indirect Expense						
a. Type of Rate	b. Rate	c. Period		d. Base	e. Amount Charged	f. Federal Share
		From	To			
Not Applicable	%			\$	\$0.00	\$
Not Applicable	%			\$	\$0.00	\$
g. Totals					\$0.00	\$0.00

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.

* f. Federal share of unliquidated obligations			\$	300.00
g. Total Federal share (sum of lines e and f)				\$20300.00
h. Unobligated balance of Federal funds (line d minus g)				\$79700.00

Recipient Share:

* i. Total recipient share required			\$	0.00
j. Recipient share of expenditures	\$15000.00	\$	-15000.00	\$0.00
k. Remaining recipient share to be provided (line i minus j)				\$0.00

Program Income:

l. Total Federal program income earned			\$	300.00
m. Program income expended in accordance with the deduction alternative				
n. Program income expended in accordance with the addition alternative			\$	300.00
o. Unexpended program income (line l minus line m or line n)				\$0.00

*** 11. Indirect Expense**

a. Type of Rate	b. Rate	c. Period		d. Base	e. Amount Charged	f. Federal Share
		From	To			
Provisional	1.0%	03/01/2009	06/30/2009	\$ 9000.00	\$90.00	\$ 90.00
Not Applicable				\$	\$0.00	\$
Provisional				\$	\$0.00	\$
Predetermined						
Final						
Fixed						
g. Totals					\$90.00	\$90.00

12. Remarks. Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.

10. Transactions			
	Previously Reported	This Period	Cumulative
(Use lines a-c for single or multiple grant reporting)			
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* f. Federal share of unliquidated obligations			\$ 0.00
g. Total Federal share (sum of lines e and f)			\$19000.00
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* 11. Indirect Expense						
a. Type of Rate	b. Rate	c. Period		d. Base	e. Amount Charged	f. Federal Share
		From	To			
Not Applicable	%			\$	\$0.00	\$
Not Applicable	%			\$	\$0.00	\$
g. Totals					\$0.00	\$0.00

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.

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Empty text area for remarks with scrollbars.

13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

* Prefix	Mr
Prefix (Other)	
* First Name	John
Middle Initial	
* Last Name	Doe
Suffix	Select Suffix
Suffix (Other)	
* Title	Chief Financial Officer
* Telephone (Area code, number and extension)	(555) 555 - 8090 Ext.
* E-mail Address	jdoe@smallvile.gov
Date Report Last Submitted	10/25/2009

14. Agency use only	
OJP Vendor Number	912345678

Attachments:
None

Actions:



Audit Trail:



[Financial Status Reports](#)

[FSR Correspondence](#)

**Financial Status
Reports Handbook**

Your Financial Status Report has been successfully submitted. You will be able to modify and re-submit this FSR until the next Reporting Period End Date has passed. However, you can log in any time to view the information.

You will be contacted by OC Customer Service if any other action is required by you.

[Help/Frequently Asked Questions](#)

[Financial Status
Reports Home](#)

[GMS Home](#)

[Log Off](#)

SF-425 HELPFUL TIPS

- ✓ **Report actual expenditures not disbursements from Federal Government**
- ✓ **Report from the lowest level in Section 10**
- ✓ **Report correct match requirement**

SF-425 HELPFUL TIPS

- ✓ **Report “program income” as cumulative amount and not as quarterly amounts**
- ✓ **Report correct indirect cost rate and/or base**
- ✓ **Report correct “indirect cost rate” type**

Federal Financial Report (SF-425)

SF-425 – due Quarterly

Reporting Period	Delinquent After
Oct 1 - Dec 31	January 30
Jan 1 - Mar 31	April 30
Apr 1 - Jun 30	July 30
Jul 1 - Sept 30	October 30

- **Funds will be frozen if report is not submitted within 30 days**

Federal Financial Report (SF-425)

Problems with SF-425?

Contact: OCFO Customer Service Center

1-(800)-458-0786 or (202) 305-9988

Email: ask.ocfo@usdoj.gov

Fax#: (202) 353-9279

Reporting Requirements

- **The Grant Management System (GMS) allows grantees to report on their grant progress through an online Categorical Assistance Progress Report or online Performance Report.**
- **Features include:**
 - ✓ **Data for form is filled in with information already in GMS**
 - ✓ **Grantees can attach documents as part of their report**
 - ✓ **E-mail notifications occur to remind grantees to submit report**
 - ✓ **OJP grant managers can review and send back incomplete reports to grantees**

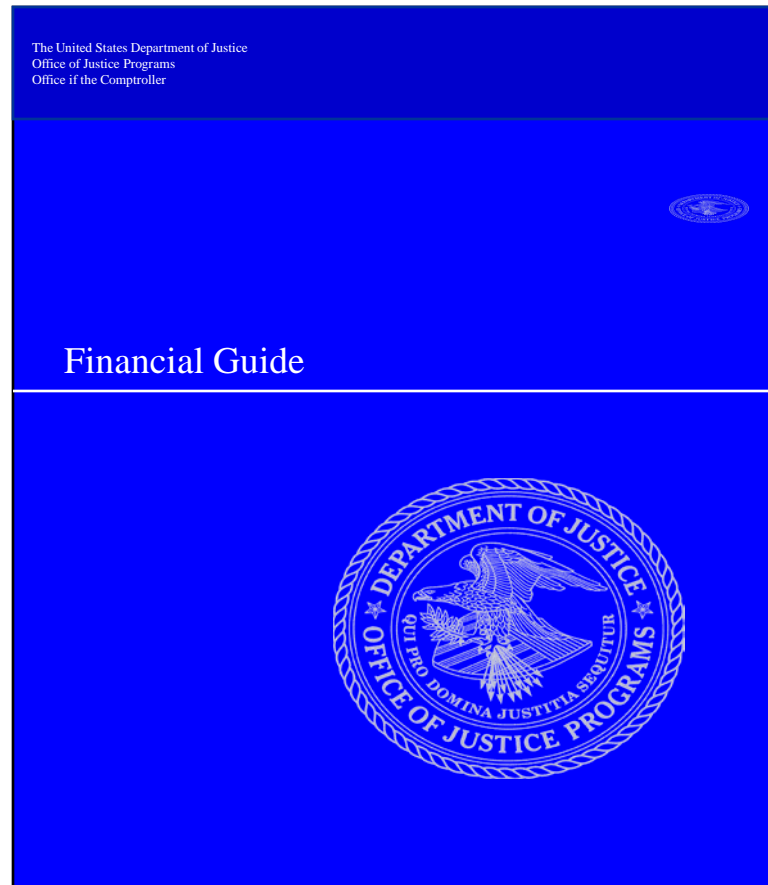
Reporting Requirements

- **Check the special conditions on your Award Document or the Solicitation, to determine due dates for Progress Reports.**
- **If Progress Reports are delinquent, drawdowns will not be processed.**
- **If Progress Reports are delinquent, future awards and grant adjustment notices may not be processed.**
- **Progress reports should be submitted online utilizing GMS.**

Reporting Requirements

- **Questions concerning GMS may be addressed to the GMS Help Desk at 1-(888) 549-9901**
- **Contact program manager for questions regarding Reporting Requirements**

OJP Financial Guide



Electronic Access for the OJP Financial Guide via Internet

<http://www.ojp.usdoj.gov/financialguide>

OJP Financial Guide

Financial Guide Organization



Part I - General Information



Part II -- Pre-award Requirements



Part III -- Post Award Requirements



Part IV -- Organization Structure

OJP Financial Guide

Financial Guide Summary List of Updates

http://www.ojp.usdoj.gov/financialguide/summary_list_09.pdf

Questions & Answers (Q&A)





THE END

