



Fiscal Documentation and Tracking

U.S. DEPARTMENT OF LABOR
EMPLOYMENT AND TRAINING ADMINISTRATION

**ARRA GREEN JOB AND HEALTH
CARE / EMERGING INDUSTRIES
NEW GRANTEE POST AWARD
FORUM**

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Topics

- Financial management system
- Documentation and tracking
- Reporting elements



Financial Management System

- Grantees and subgrantees must have a financial management system (FMS)
- Set of standards for the FMS is addressed in the Code of Federal Regulations (CFR)
 - 29 CFR 97.20
 - 29 CFR 95.21



Financial Management System

- Financial reporting
- Accounting records
- Internal control
- Budget control
- Allowable costs
- Source documentation
- Cash management



Financial Management System

- Financial reporting
 - Accurate, current, and complete disclosure of the financial results of “financially assisted activities”
 - In accordance with the requirements of the grant or subgrant
 - NOTE: The DOL-ETA reporting requirements include that reports must be filed on an accrual basis



Financial Management System

- Accounting records
 - Must be maintained to adequately identify the source and application of funds
 - Must contain information pertaining to grant or subgrant
 - Authorizations
 - Obligations
 - Unobligated balances
 - Assets
 - Liabilities
 - Outlays or expenditures
 - Income



Financial Management System

- Internal control
 - ⊙ Grant and subgrant

 - ⊙ Effective control and accountability
 - ⊙ Cash
 - ⊙ Real and personal property
 - Adequately safeguard
 - Solely used for authorized purposes
 - ⊙ Other assets



Financial Management System

- Budget control
 - Grant and subgrant
 - Actual expenditures must be compared to budgeted amount



Financial Management System

- Allowable costs
 - Costs must be
 - ◎ Reasonable
 - ◎ Allowable
 - ◎ Allocable

 - In accordance with
 - ◎ OMB cost principles
 - ◎ Agency program regulations
 - ◎ Terms of grant
 - And terms of subgrant



Financial Management System

- Source documentation
 - Accounting records must be supported by such source documentation as
 - Cancelled checks
 - Paid bills
 - Payrolls
 - Time and attendance records
 - Contract and subgrant award documents
 - Others



Financial Management System

- Cash management
 - Procedures for minimizing the time elapsing between drawdown of funds and disbursement by grantee

 - To enable the grantee sufficient time to prepare cash transaction reports, grantees must establish procedures to ensure the receipt of reports on subgrantees'
 - Cash balances
 - Cash disbursements



Documentation Standard

- Transactions adequately documented
 - Expenditures
 - ⊙ Traceable to source documentation
 - ⊙ Consistent with GAAP

- Assets properly managed
 - Equipment accounted for
 - Procurement rules adhered to

- Subgrants
 - Appropriate clauses and work statements



Source Documentation

- Evidence of authority to incur cost
- Establishes actual amount paid
- Proof of purchase for equipment
- Subject to record retention requirements
- Designed to demonstrate that all assets were obtained in compliance with requirements



Source Documentation – System

- Accounting system
 - Chart of accounts
 - Bank account reconciliations
 - Petty cash receipts / reconciliations
- Information maintained
 - Allow grant reporting
 - In accordance with grant budget
 - In accordance with cost principles
- Books & records must contain
 - All financial information of the organization
 - Both allowable **and** unallowable



Source Documentation – Goods and Services

- Purchase of goods
 - Authorizing purchase orders
 - Cancelled checks
 - Store/vendor receipts

- Subcontractor invoices
 - With appropriate cost breakouts



Source Documentation – Labor

- Labor costs
 - Time sheets for staff
 - Payroll records
 - Cancelled checks or direct deposit confirmations

- Benefits
 - Insurance invoices
 - Requests for leave



Source Documentation – Property

- Inventory listing
- Maintenance records
- Mileage logs for vehicles
- Receiving logs for deliveries
- Disposition records



Source Documentation – Participant Records

- Evidence of eligibility
 - Income statements
 - Proof of status

- Support service payments
 - Signed receipts
 - Vendor invoices for child care

- Training
 - Registration documents



Source Documentation – Procurement

- Procurement
 - Request for bid
 - Cost or price analysis

- Contract documents
 - Contract
 - Modifications
 - Performance data
 - Financial data
 - Closeout documents



Definition - Obligation

- Obligation

- ⊙ Definition

- ⊙ During a given period of time
 - ⊙ Requires payment by the grantee during the same or future period

- ⊙ Includes

- ⊙ Amounts of orders placed
 - ⊙ Contracts and subgrants awarded
 - ⊙ Goods and services received, and
 - ⊙ Similar transactions



Definition – Unliquidated Obligation

- Unliquidated Obligation
 - ⦿ The amount of obligations incurred for which an expenditure has not been recorded
 - ⦿ For example: Goods and services ordered but not received



Accrued Expenditure

- Charges incurred by a grantee during a given period requiring a provision of funds for:
 - Goods and tangible property received
 - Services performed by employees, subgrantees, subcontractors, etc.
 - Whether or not a cash payment is made



Examples

- Obligation
 - ⊙ Subcontract for training services
 - ⊙ Purchase order for equipment

- Unliquidated Obligation
 - ⊙ Purchase order not yet filled

- Accrued Expenditure
 - ⊙ Equipment received, but not invoiced or paid



Reporting Elements

Quarterly Financial Report - ETA 9130

- Federal Cash
 - Cash receipts
 - Cash disbursements
 - Cash on hand



Reporting Elements

Quarterly Financial Report - ETA 9130

- Federal Expenditures and Unobligated Balance
 - Total Federal funds authorized
 - Federal share of expenditures
 - Accrued expenditures must be included
 - Accrued expenditures must be documented
 - Total administrative expenditures
 - Federal share of unliquidated obligations
 - Total Federal obligations
 - Unobligated balance of Federal funds



Reporting Elements

Quarterly Financial Report - ETA 9130

- Recipient Share
 - Total recipient share required
 - Recipient share of expenditures
 - Recipient share of unliquidated obligations
 - Total recipient obligations
 - Remaining recipient share to be provided



Reporting Elements

Quarterly Financial Report - ETA 9130

- Program Income
 - Total Federal program income earned
 - Program income expended in accordance with the addition method
 - Unexpended program income



Reporting Elements

Quarterly Financial Report - ETA 9130

- Additional Expenditure Data Requirements
 - Other Federal funds expended
 - Others
- Remarks
- Certification



Cost Categories

- Program
 - ⊙ Allowable
 - ⊙ Within scope of work
 - ⊙ Assist to achieve grant objectives
 - ⊙ Services to participants, usually

- Administrative
 - ⊙ Found in WIA regs at 20 CFR 667.220(a)
 - ⊙ Listed in each DOL-ETA grant agreement
 - ⊙ Section
 - ⊙ List of specific functions



Questions?

