

FEDERAL AID MASTER (FM) DOCUMENT INSTRUCTIONS 2011

A. Introduction

This manual is intended for use by personnel responsible for the financial and programmatic management of federal programs and by persons responsible for data input.

Any questions regarding this manual should be directed to the Federal Aid Administrator at the Office of Management and Budget at (302) 739-4206.

B. Purpose

The purpose of the Federal Aid Master (FM) document is to record changes at the federal parent level in FSF- Grants Module to enable state agencies to track federal funds.

C. Definition of Terms

1. **Direct Grants** are funds received by a state agency directly from the federal government to run a specific program catalogued in the Catalog of Federal Domestic Assistance (CFDA). These funds are tracked in an NSF line, Fund 225, 910, Type 40, APPR 40000 - 47999.
2. **Reimbursable Grants** are funds received for programs to be operated on a reimbursable basis as **MANDATED BY FEDERAL LAW**. The state must cover payment of bills before reimbursement can be requested from the federal agency. These funds are tracked in an NSF line, Fund 225, 910, Type 40, APPR 40000 – 47999.
3. **Indirect Grants** are funds received by a state agency derived from a catalogued federal program from a private, non-profit agency, local government or the University of Delaware. The funds must be tracked in an NSF line, Fund 225, 910, Type 40, APPR 40000 - 47999.

**During Post Award under the Grants Award
Profile TERMS tab – Terms and Conditions
'Indirect Grants' option should be chosen.**

4. **Subgrants** are funds passed through from one state agency to another state agency. Expenditures are tracked in the grants module at the subgrantee level only. These funds are tracked in an NSF line, Fund 225, 910, or Charter School Fund Number, Type 40, APPR 40000 - 47999.

5. **Contracts** - Two situations can present themselves:

- a. A state agency receives funds derived from a catalogued federal grant from another state agency to perform a service under contract/supply a deliverable. The funds must be tracked in an NSF line, Fund 100, Type 20, APPR 27000-27999. The Intergovernmental Voucher (IV) document is used to move the funds from the contractor to the contractee. The state agency will submit to the SPOC a completed Budget Journal form KK001 to establish an appropriation, subtracting or adding estimated receipts, and changing end dates.
- b. A state agency receives funds from a federal agency to perform a service under contract or cooperative agreement or to supply a deliverable. **Though the funds are federal, they are derived from a federal agency's operations budget or from a source which is not (and never will be) catalogued in the CFDA.** Therefore, the funds must be tracked in an NSF line, Fund 100, Type 20, APPR 26000 - 26999. The state agency will submit to the SPOC a completed Budget Journal form KK001 to establish an appropriation, subtracting or adding estimated receipts, and changing end dates.

D. **Grants Module Users**

Only those state agencies receiving grants (Direct, Indirect or Reimbursable) and/or subgrants will track the funds in the federal grants module. Funds received through a contract will not be tracked in the grants module. (See Item 5.a. and b., above.)

E. **Process**

1. Grants

- a. **FM** - The state agency will submit a grant application through the Single Point of Contact (SPOC). Upon approval from the Delaware State Clearinghouse Committee (DSCC), the state agency will prepare an FM document. Once written verification of a grant award is received from the federal government, the FM document will be forwarded along with a copy of the grant award to the Office of Management and Budget, SPOC, who will process the FM and set up a federal appropriation. If the grant is a new grant (first application) the agency will submit a completed New Appropriation Chart Field Set Up Questionnaire (Form # KK002) along with the FM and grant award notice to the SPOC.
- b. **Appropriation** - The appropriation(s) will be loaded with total Estimated Receipts equal to the grant award amount. Based solely on these Estimated Receipts, Payment Voucher (PV), Intergovernmental Voucher (IV) and Payroll (PR) documents will process - it is not

necessary to have cash in the account in order for documents to process.

c. ***Preloading***

- (1) On-going grants may be preloaded in the system prior to the state agency having received written approval notification from the federal government. To qualify for preloading, the grant must have been **approved by the DSCC** and the agency must demonstrate need for early loading (such as, avoiding payroll kickers or loading a contract). For those grants that meet the Cash Management Improvement Act (CMIA) threshold, based upon the current Cash Management Improvement Act Agreement, the state agency must go through the SPOC review process in a timely manner, to enable the state to claim interest against a federal agency who delays a grant awarded.
- (2) To safeguard against abuse, 15% of the amount approved by the DSCC will be preloaded. This control will be in place until federal authorization to spend (a grant award) is received. It is important to remember, that funds should not be drawn nor Cash Receipts documents coded against the spending lines for the grant as authority has not been received to draw funds. **When official notification has been received awarding the grant, the state agency must prepare an FM modification and submit with the award notice to OMB, SPOC, to adjust the budget or Estimated Receipts.**
- (3) The preloaded FM budget and Appropriated Estimated Receipts will equal the amount allotted to Delaware (if known) or the amount approved by the DSCC. The matter of the amount to be preloaded may require case by case consideration.

- d. ***Reimbursable Grants*** - Reimbursable grants, as defined above, will be tracked in the grants module in the same way as the grants. See E.1.a. and b. The appropriation will show a negative unexpended balance that will decrease once reimbursement has been credited to the account. Once the grant is completed, the unexpended balance should be zero. True reimbursable grants should never have a positive unexpended balance.

2. Subgrants

All subgrants will be developed as projects within First State Financials by the agency awarding the subgrant.

Keeping in mind the definition of the term, the state agencies listed below currently pass through funds via a subgrant:

- _ Department of Education (DOE) to state agencies and school districts (education programs)
- _ Department of Health and Social Services to the Department of Services for Children, Youth and Their Families (Social Services Block Grant and Block Grants for Prevention and Treatment of Substance Abuse)
- _ Department of Labor/ Division of Employment and Training to various state agencies
- _ Criminal Justice Council to various agencies
- _ Office of Highway Safety to various agencies

F. Step by Step Instructions for Preparing the FM for Data Entry

1. FM DATE, REQUESTOR, PHONE NUMBER, ORGANIZATION

Use the date the document is prepared, name of preparer, contact phone number, organization name/section

2. Dept ID:

Use six digit DDS (Department, Division, Section) also known as your organization code. E.g. 35-01-01.

3. SOURCE OF FUNDING

Federal Funds - Use dollars and cents in the amount of federal grant award. For preloaded grants, calculate 15% of amount approved by Clearinghouse or amount agreed upon by OMB.

Carry Over - Unobligated or unexpended dollar amount from previous grant year(s) allowed by a federal agency to be carried over to the next fiscal year(s).

Project Income - Dollar amount generated from fees charged or services rendered to users by a state agency - related to a federal program or project. One example of project income is the Division of Fish and Wildlife programs run for the U.S. Department of the Interior.

Total - Use the sum of all funding sources in dollars and cents.

Increase/Decrease – Select Increase/Decrease from list.

4. STATE APPLICATION IDENTIFIER (SAI)

This number should match the State Application Identifier assigned by the Office of Management and Budget.

5. **PROJECT TITLE**

Use the title of the project grant. The title must reflect the use of the funds.

6. **FEDERAL CATALOG NUMBER (CFDA)**

Use the five (or six) digit number assigned to the program, as listed in the CFDA. If the CFDA number is not known, contact the federal agency, the state program manager or the SPOC.

If a program has not been cataloged, give the first two (2) digits which represent the federal department as per the Federal Agencies' Code Numbers List followed by three (3) zeros. As soon as it is known that the program has been cataloged, the CFDA should be corrected in the system. If a program will not be cataloged, use the first two numbers of the federal department followed by three (3) Xs.

7. **R/D INDICATOR**

Indicate a Y if the grant will be 100% Research and Development and an N if the grant is not 100% Research and Development. This field is on the FM due to information that is necessary to be captured as part of a requirement in completing audits of federal programs. Please contact the Auditors office for a definition of Research and Development.

8. **LEDGER GROUP**

As the Office of Management and Budget will only control the parent ledger the ledger group will always be GR_GROUP.

9. **GR_GROUP (Federal Parent) INFORMATION**

The SPOC enters the GR_GROUP information into FSF.

Action – ‘E’ to Establish an appropriation or ‘M’ to Modify an appropriation, and ‘D’ to Deactivate an appropriation.

Bud Ref - Based on the Delaware state fiscal year, use the current fiscal year at the time of **entry** of the grant/subgrant.

For a modification, use the fiscal year in which the grant/subgrant was **originally** established.

Fund – Fund type is always 225.

Appropriation Number – When establishing a brand new grant – not previously funded – this block should be left blank. The agency will submit a completed New Appropriation Chart Field Set Up Questionnaire (Form # KK002) along with the FM and grant award notice to the SPOC. The SPOC will work with the Division of Accounting to request an appropriation number. The number will be a 5-digit number and always begin with the number 4.

For modifications to the appropriation, provide the assigned 5-digit number that begins with 4.

Budgetary Account – For federal funds this will always be 5010.

Begin Date and End Date – Use the budget period on the federal notification of funding award for the Begin Date. The End Date should be entered as 90 days after the End Date on the federal notification of funding.

Amount - Use the amount of federal estimated receipts for the APPR. Use dollar and cents.

10. GR_DETAIL (Federal Child) INFORMATION

The information provided in these blocks will be used for reference by the SPOC.

Action – is not applicable.

Bud Ref - Based on the Delaware state fiscal year, use the current fiscal year at the time of **entry** of the grant.

For a modification, use the fiscal year in which the grant was **originally** established.

Fund – Fund type: 225, 910, or Charter School assigned fund types.

Appropriation Number – 5-digit number beginning with the number 4 as assigned by the Division of Accounting.

Budgetary Account – For federal funds this will always be 5010.

Begin Date and End Date – Use the budget period on the federal notification of funding award for the Begin Date. The End Date should be entered as 90 days after the End Date on the federal notification of funding.

Amount - Use the amount of federal estimated receipts for the APPR. Use dollar and cents.

11. GR_G_REV (Revenue) INFORMATION

The information provided in these blocks will be used for reference by the SPOC.

Action – is not applicable.

Bud Ref - Based on the Delaware state fiscal year, use the current fiscal year at the time of **entry** of the grant.

For a modification, use the fiscal year in which the grant was **originally** established.

Fund – Fund type: 225, 910, or Charter School assigned fund types.

Appropriation Number – 5-digit number beginning with the number 4 as assigned by the Division of Accounting.

Budgetary Account – This will always be a 4-digit number: 4000.

Begin Date and End Date – Not Applicable.

Amount – Not Applicable.

12. **Explanation** – Describe the action being performed (i.e. Establish award based on award letter received on 12/01/11; extend end date based on award notice received on 12/01/11).

Documentation **must** be provided to support changes in dollar amounts or extension of end dates with the FM modification.

13. SIGNATURE OF AUTHORIZING OFFICIAL

The department/agency determines who is authorized to sign the FM document.

14. FOR SPOC USE ONLY

SPOC will sign, date and notate journal id number when transaction is complete. A notification will be sent through First State Financials when the FM has been completed.

For any questions on the FM, please call the Single Point of Contact at (302) 739-4206.