DOJ Consolidated Tribal Financial Management Training

2018 CTAS Orientation
December 3rd
COMMUNITY ORIENTED POLICING SERVICES
No Question is a Dumb Question
Financial Management Systems
Financial Management Systems

A Financial Management System must be able to record and report on the:

- Receipt;
- Obligation; and
- Expenditures of grant funds.
### Segregation of Awards and Activities

Separately Funded - Federal Awards

<table>
<thead>
<tr>
<th>Charge Codes</th>
<th>Federal Grant Award #1</th>
<th>VAWA #101 - Cost Ledger</th>
<th>Federal Award #2</th>
<th>DNA Indexing - #201</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Federal Match 10%</td>
<td></td>
<td>Non-Federal Activity</td>
<td>Unallowable</td>
</tr>
<tr>
<td></td>
<td>Subledger Subledger</td>
<td>Total Ledger</td>
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<td>Administrative</td>
</tr>
<tr>
<td>Grant Revenue</td>
<td>470,624.00</td>
<td>470,624.00</td>
<td>470,624.00</td>
<td>470,624.00</td>
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<tr>
<td>Program Income</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>In-Kind</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>470,624.00</td>
<td>47,062.00</td>
<td>517,686.00</td>
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<tr>
<td>Direct Labor</td>
<td>240,000.00</td>
<td>45,000.00</td>
<td>285,000.00</td>
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<tr>
<td>Fringe @ 33% Actual</td>
<td>79,200.00</td>
<td>0.00</td>
<td>79,200.00</td>
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<tr>
<td>Subtotal</td>
<td>319,200.00</td>
<td>45,000.00</td>
<td>364,200.00</td>
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<tr>
<td>Travel</td>
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<td>9,320.00</td>
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<td>Equipment</td>
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<td>Supplies</td>
<td>3,000.00</td>
<td>2,062.00</td>
<td>5,062.00</td>
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<tr>
<td>Contractual</td>
<td>26,000.00</td>
<td>26,000.00</td>
<td>26,000.00</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>56,500.00</td>
<td>56,500.00</td>
<td>56,500.00</td>
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<tr>
<td>Indirect @ 17% Actual</td>
<td>54,264.00</td>
<td>54,264.00</td>
<td>54,264.00</td>
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<tr>
<td>Total Expense</td>
<td>470,624.00</td>
<td>47,062.00</td>
<td>517,686.00</td>
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<tr>
<td>Residual</td>
<td>0.00</td>
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<td>0.00</td>
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</table>
Successful Financial Management

• Non-federal entities are required to implement adequate internal controls to ensure full compliance with all regulations.
  – Standards for Internal Control in the Federal Government – (Green Book)
  – Committee of Sponsoring Organizations of the Treadway Commission – (COSO)
Successful Financial Management

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 should ensure that no individual has the ability to either conceal or misdirect funds within the agency.
ORDER OF PRECEDENCE

1) Authorizing Legislation
   - Congress

2) Federal Agency Regulation
   - Code of Federal Regulation (CFR)

3) Terms and Conditions of the Award
   - Grant Award Document

4) Federal Agency Policies from
   - Guides/Manuals/Solicitations
Code of Federal Regulations

The Code of Federal Regulations (CFR) is the codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal Government.
# Code of Federal Regulation

## APPLIES TO:

<table>
<thead>
<tr>
<th>Administrative Requirements:</th>
<th>State &amp; Local Units of Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Principles:</td>
<td>Non/For-Profit Organizations</td>
</tr>
<tr>
<td>Audit Requirements:</td>
<td>Educational Institutions</td>
</tr>
</tbody>
</table>

## OMB

OMB 2 CFR Part 200
*Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards*
REQUIRES THAT A COST BE:

• Allowable
• Necessary to the performance of a project
• Reasonable
• Allocable to the project and consistently treated
REQUIRES THAT A COST BE (cont):

- Non-profitable
- Claimed against only one award
- Permissible under State & Federal laws and regulations
Types of Costs

Identifying and Classifying Costs
Allowable Costs

Costs that are necessary, reasonable, allocable, not prohibited under State/local laws or regulations. Costs must conform to any limitations set forth in Federal laws, and comply with the terms and conditions of the Federal award. Claimed against only one award.
Unauthorized Costs

Costs are not authorized when there is no consent from the awarding agency to incur costs, not included in the approved budget, or occurs before or after the grant award period.
Unsupported Costs

Costs which do not contain adequate documentation to support work performed or costs charged to the Federal award.
Unreasonable Costs

Costs deemed excessive or unreasonable when its nature and amount exceeds that which would be incurred by a prudent person when the decision was made.
Unallowable Costs

Costs not allowed under Federal programs include, but are not limited to lobbying, land acquisition, fund raising, entertainment, contingencies, and alcoholic beverages.
CLASSIFICATION OF COSTS
DIRECT COSTS

- Costs identified specifically with an activity.
- Salaries and Wages (including holidays, sick leave, etc.) for direct labor employees.
- Consultant services contracted to accomplish specific project objectives.
- Materials/supplies purchased directly for use on a specific project.
INDIRECT COSTS

- Costs not readily identifiable with a particular project or activity.
- Benefits more than one activity.
- May include:
  - Maintenance of building
  - Depreciation
  - Rental expenses
INDIRECT COST RATE

Types of Indirect Cost Rates:

- Provisional indirect costs rates adjusted to actual (retroactive adjustment)
- Predetermined rates (not normally subject to adjustment)
- Fixed rates (with roll or carry forward adjusted in future period)

Negotiate rate with cognizant agency.

Final rate agreement contains type of rate, effective period, base, etc.
DE MINIMIS RATE

- Can be used by recipients that have NEVER had a negotiated Indirect Cost Rate Agreement.
- Subrecipients use the same guidelines as recipients.
- Charge 10% of MTDC without negotiating the rate.
- Costs must be charged consistently as indirect/direct for all awards – (but not both).
- May be used indefinitely.
High Risk Grantees

- Have a history of unsatisfactory performance.
- Are not financially stable.
- Have a management system which does not meet the management standards set forth in 2 C.F.R. Part 200.302 (Financial Management).
High Risk Grantees (cont)

- Have not conformed to the terms and conditions of previous awards.
- Have open Single Audit or Office of Inspector General (OIG) audit report recommendations.
- Have significant non-compliance issues.
- Are otherwise not responsible (e.g., open site visit, requests for information from DOJ program manager, etc.).
Award Terms and Conditions

- Agree to comply with all terms and conditions listed in the award.
- Follow requirements in 2 CFR 200 and the DOJ Financial Guide.
- Restrictions on lobbying.
- Reporting of potential fraud, waste, abuse and similar misconduct.
- All applicable reporting requirements.
Financial Management Training Requirements
Conditions of Award

Comply with the training requirement for the Point of Contact (POC) and all Financial Points of Contact (FPOCs) to successfully complete an OJP financial management and grant administrative training by 120 days after the date the recipient accepts the award.

Expiration of Training Certificates

POC and all FPOCs for the award will be required to re-certify their compliance with the financial management training requirement every (3) three years.
Changes to the Award

- 10% deviation from total award $$ (does not apply to grants $250K or less)
- Change to indirect cost amount
  - Not applicable to OVW awards
- Change in Scope of Project
- Change in Project Period (no cost extension)
- Change of authorized signing official
- Retire Special Conditions
Changes to the Award

Contact the specific DOJ Component for assistance with making adjustments to your CTAS Awards
# DOJ Award Reporting Requirements

<table>
<thead>
<tr>
<th>REPORT</th>
<th>SYSTEM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FFR/SF-425</strong> Federal Financial Report (Formerly SF-269)</td>
<td>OJP/OVW Grants Management System (GMS)</td>
</tr>
<tr>
<td></td>
<td>COPS Agency Portal</td>
</tr>
<tr>
<td><strong>Progress Reports</strong> Program/Project Activity Reports</td>
<td>OJP/OVW Grants Management System (GMS)</td>
</tr>
<tr>
<td></td>
<td>COPS Agency Portal</td>
</tr>
<tr>
<td><strong>Performance Measures</strong></td>
<td>Performance Measurement Tool (PMT)</td>
</tr>
<tr>
<td></td>
<td>OJP/Grants Management System (GMS)</td>
</tr>
<tr>
<td><strong>Other Reports</strong> (Conference cost reporting, etc.)</td>
<td><a href="mailto:OJPConferenceCostReporting@ojp.us">OJPConferenceCostReporting@ojp.us</a></td>
</tr>
<tr>
<td></td>
<td>doj.gov</td>
</tr>
</tbody>
</table>
Financial Reporting Requirements

Federal Financial Report (SF-425)

For OJP/OVW Awards: Quarterly Federal Financial Reports (SF-425) are submitted through the Grants Management System (GMS) at: https://grants.ojp.usdoj.gov.

For COPS Awards: Quarterly Federal Financial Reports (SF-425) are submitted through the COPS Agency Portal online at: https://portal.cops.usdoj.gov/
Financial Reporting Requirements

Federal Financial Report (SF-425)

- The SF-425 quarterly report must be submitted no later than 30 days after the end of each calendar quarter.

- Grant recipients will be required to report grant expenditures utilizing the Federal Financial Report Form (SF-425).
SF-425 Helpful Tips

- Report actual expenditures *not* disbursements from Federal Government
- Report expenditures incurred by subrecipients
- Report correct indirect cost type, rate, and base
- Report any required local share match portion
- Report & drawdown allowable costs only.
Problems with SF-425?

**OJP: OCFO Customer Service Center**
(800)-458-0786 or (202) 305-9988
Email: ask.ocfo@usdoj.gov
Fax#: (202) 353-9279

**OVW: GFMD Help Desk**
(888)-514-8556 or ovw.gfmd@usdoj.gov

**COPS: COPS Response Center**
(800)-421-6770
Email: AskCOPSRC@usdoj.gov
Fax#: (202) 616-9004
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.
- Grant managers can review and send back incomplete reports to grantees.
PROGRESS 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/modification notices may not be processed.
Progress Reporting Requirements

- Questions concerning GMS
  - OJP: GMS Help Desk at (888) 549-9901
  - OVW: GMS Help Desk at (866) 655-1150
- Contact Program Manager for questions regarding Reporting Requirements
Progress Reporting Requirements

- Questions concerning COPS Portal
  - COPS: Response Center at (800) 421-6770
  - https://portal.cops.usdoj.gov/
- Contact Program Specialist for questions regarding Reporting Requirements
Audit Requirements

- Recipients must comply with the audit requirements in OMB Uniform Guidance 2 CFR 200 Subpart F
- Thresholds: $750K or more expended during the FY for 2 CFR 200 Subpart F audits requires Single Audit
- Audit Report: due nine (9) months after end of FY
- Submit form SF-SAC and the Single Audit Report package online to Federal Audit Clearinghouse (FAC)
The Federal Audit Clearinghouse requires all grant recipients to submit form SF-SAC and the Single Audit Report package online utilizing the Internet Data Entry System (IDES).

To use the online system:

http://harvester.census.gov/fac/collect/ddeindex.html#

Questions about submission can be addressed to:

  Phone #:  800-253-0696
  Email:   govs.fac@census.gov

If audit report is delinquent, funds may be withheld.
Resolution of Audit Reports

Office of Audit, Assessment, and Management

- Establish working file for the audit report.
- Review and analyze the audit report.
- If there are any findings, a letter must be generated to the audited recipient. This letter should include a request for a Corrective Action Plan (CAP)
RESOLUTION OF AUDIT REPORTS

The CAP should include:

- Description of each finding.
- Specific steps to be taken to implement the recommendation.
- Timetable for performance of each corrective action.
- Description of monitoring to be performed to ensure implementation of CAP.
Top Ten Audit Findings

1. Procedures not documented or need improvement.

2. Special conditions not met by grantee.

3. Financial and Progress reports not submitted timely.

4. Financial reports not accurately prepared.

5. Accounting system inadequate or not effectively utilized to account for grant funds.
Top Ten Audit Findings


7. Suspension and Debarment – verification not performed or properly documented.

8. Budget modification exceeds 10% threshold.

9. Consultant service charges exceed rate (i.e., daily threshold).

10. Matching funds not provided or insufficient to meet award requirements.
Subaward and Executive Compensation

- Requires prime recipients to report on first-tier subawards of $25K or more.

- Requires prime recipients to report executive compensation for prime or subawards if:
  - The organization received 80% or more of its annual gross revenues in Federal awards and those revenues are greater than $25 million; and
  - The public does not have access to information about executive compensation through periodic reporting.
When to Report

- For Federal awards of $25K or more the prime recipient must report first-tier and executive compensation data.
- Data must be reported in FSRS the following month after the obligation is made.
  - Example: Awards made during October will have until November 30th to report.
Subaward and Executive Compensation

- Prime recipients must report FFATA requirements in the (FFATA) Subaward Reporting System (FSRS) [https://www.fsrs.gov/](https://www.fsrs.gov/).
CLOSEOUTS

Award recipients have 90 days after the end date of the award to close out the award.

- Cash Reconciliation
  - Request reimbursement of funds to cover expenditures.
  - The Federal expenditures must be equal to or greater than the cash disbursements from the awarding agency.
- Drawdown of Funds
  - Request final payment of eligible expenses.
  - Funds will be frozen after 90 days.
CLOSEOUTS

- Final Federal Financial Report (SF-425)
- Final Progress Report
- Refund Excess Cash
CLOSEOUTS

Refund excess cash:

- Make check payable to the appropriate awarding agency.
- Cover letter or voucher containing the grant number for the refund, itemization of funds and the unobligated balance.
- Printout of the final SF-425 report which supports the amount of the refund.
- Failure to remit payment to OJP will be referred to the U.S. Department of the Treasury for collection.
DOJ Grants Financial Guide

Electronic Access for the DOJ Grants Financial Guide via Internet on Federal Awarding Agency’s Website
OCFO Financial Questions via Telephone/Internet

OCFO Customer Service Center
Monday through Friday
8:30 a.m. - 6:00 p.m. (EST)
(800) 458-0786 or (202) 305-9988
FAX (202) 353-9279

OCFO e-mail Address:
ask.ocfo@usdoj.gov
OVW Financial Questions via Telephone/Internet

OVW GFMD Help Desk
Monday through Friday
7:00 a.m. – 4:00 p.m. (EST)
(888) 514-8556
FAX (202) 514-7045

OVW email Address:
ovw.gfmd@usdoj.gov
COPS Financial Questions via Telephone/Internet

COPS Response Center
Monday through Friday
9:00 a.m. - 5:00 p.m. (EST)
(800) 421-6770
FAX (202) 616-9004

COPS e-mail Address:
AskCOPSRCA@usdoj.gov