

Guidance on Federal Financial Report, SF-425

Purpose. The purpose of this notice is to provide guidance to award recipients of TA (technical assistance) Program funds on the reporting requirements for the Federal Financial Report (FFR), also known as Standard Form (SF) form 425. This guidance replaces previously issued guidance.

Background and Authority. On October 9, 2008, the Office of Management and Budget (OMB) published the SF-425. Pursuant to the Federal Financial Assistance Management Improvement Act of 1999 (P.L. 106-107), OMB directed that agencies use the SF-425 to replace the SF-269, SF-269A, SF-272, and SF-272A, to report the financial status of grant and cooperative agreement funds and cash transactions using those funds. As of October 1, 2009, all Federal agencies and Federal grant and cooperative agreement recipients were required to use the SF-425 for financial reporting, unless OMB approves otherwise. This requirement remains in 2 CFR 200.327 and OMB standard data elements included in OMB Form 4040-0014.

As noted in the TA Program cooperative agreement terms and conditions, HUD requires TA Program award recipients to complete and submit the SF 425 once per quarter, *in addition* to a final closeout report. HUD recently issued guidance in the TA Newsletter on how to submit the SF-425. HUD is updating its financial reporting guidance, in light of many changes that have occurred over the years with the TA Program, the recent enhancements to the Disaster Recovery Grant Reporting (DRGR) system, and to make the guidance clearer for both award recipients and HUD representatives.

Applicability. This guidance applies to all TA Program award recipients, both current and future, and for all TA funding sources, including Distressed Cities.

This guidance is applicable to the financial reporting requirements in the cooperative agreement provisions, and 2 CFR 200.327.

This guidance is not applicable to nonfinancial performance reports required by 2 CFR 200.328 and the cooperative agreement provisions. Refer to the monthly status reporting guidance in the [TA Portal User Guide](#) and the cooperative agreement provisions, for guidance on submitting nonfinancial performance reports.

Effective. This guidance is effective beginning with the reporting period that begins October 1, 2018.

General Guidance. TA Program award recipients are required to use the SF-425 for financial reporting on each award separately.

Quarterly reports: TA Program award recipients must submit SF 425 reports to HUD quarterly, 30 days after the reporting period end date. Each report must cover all expenditures on the cooperative agreement from the start date of the reporting period to the reporting period end date. The following federal fiscal year quarter *reporting period* will be used for all quarterly reports, are due to HUD 30 days after the period end dates noted below.

Reporting Period	Due Date of Report
Quarter 1: 10/1 – 12/31	January 30
Quarter 2: 1/1 – 3/31	April 30
Quarter 3: 4/1 – 6/30	July 30
Quarter 4: 7/1 – 9/30	October 30

Final financial report: The reporting period for the final financial report ends on the last day of performance period or when the funds are completely expended or when the award is terminated, whichever is first. The final SF-425 must cover all expenditures on the cooperative agreement. The final report is required for award closeout and must be submitted to HUD after the completion of the agreement no later than 90 days after the reporting period or expenditure of all funds. DRGR is not yet available to accommodate this final; however, additional instructions are available in the HUD [Guidance on TA Award Closeout](#), which are included in the cooperative agreement terms and conditions.

Program-Specific Guidance for Quarterly Financial Reports. You can access the SF-425 through Performance/QPR screens in the DRGR system and *MicroStrategy*, using the [instructions](#) within the *SF-425 Report for TA Providers* fact sheet. These instructions are available *in addition* to the [OMB’s standard instructions](#). This program-specific guidance provides additional supporting instructions to help award recipients complete the SF-425 using DRGR. This guidance applies to all TA Program award recipients, regardless of the funding source(s) received.

SF-425 Field Number(s)	Reporting Item	Program Guidance
1	Federal Agency and Organizational Element	No entry needed; populated in DRGR
2 – 9.	Grant Agreement # Recipient Organization DUNS Number EIN Recipient Account Number Report Type Basis of Accounting Project/Grant Period Reporting Period End Date	Autopopulated; see DRGR SF-425 Fact Sheet.
10a – c.	Federal Cash: Cash Receipts Cash Disbursements Cash on Hand	<p>Cash Receipts – reflect the funds received by HUD for the quarter (e.g., sum of paid vouchers).</p> <p>Cash Disbursements – of the HUD funds received for the quarter, reflect the amount disbursed for the quarter.</p> <p>Cash on Hand – reflect the amount remaining from the HUD funds received minus the HUD funds disbursed. Changes should be documented in Remarks (Section 12).</p> <p>10a, 10b, and 10c are auto-populated in DRGR. The “Adjusted Metrics” fields are available to record changes. But if one field is adjusted, all adjusted fields need to be completed (e.g., should be left blank).</p> <p>The ‘5.2 QPR’ report in <i>MicroStrategy</i> (e.g., the Reports module in DRGR) is available to confirm HUD disbursements for the quarter.</p>
10d.	Total Federal Funds Authorized	Do not adjust. This is the total award amount.
10e.	Federal Share of Expenditures	<p>Do not adjust. Federal expenditure is showing the amount paid by HUD and may include pending payments.</p> <p>If there is a difference between your financial management and DRGR, add remarks in Section 12 to explain.</p>

10f.	Federal Share of Unliquidated Obligations	Enter the amount of costs incurred, but not yet billed to HUD.
10g.	Total Federal Share	Enter 10e plus 10f.
10h.	Unobligated Balance of Federal Funds	Amount of 10d – 10g.
10i. – 10k.	Recipient Share	No Recipient Share Required. Should be zero.
10l. – 10o.	Program Income Earned, Expended, and Unexpended	Not likely but make adjustment if needed (consult GTR to verify). Explain in Remarks (Section 12).
11	Indirect Expense	No Indirect Expense Information Required. Leave blank.
12	Remarks	Enter comments as needed to explain adjustments to DRGR values, changes from the prior quarterly report, e.g., due to credits to awardee or amounts owed HUD (including Indirect Cost Rate changes); description of program income, etc.
13	Certification	To comply with 2 CFR 200.415, the following options are available: 1. The person submitting the QPR/SF-425 in DRGR should be the award recipient’s authorizing official. 2. An authorized representative signing the “Certification” tab on the monthly activity reports for the quarter. 3. Attach with the SF425 submission in DRGR a certification statement signed and dated by an authorizing official. Use same certification language at 2 CFR 200.415.

Provide Overall Progress Narrative. In the “Overall Progress Narrative” field, TA providers must provide the following information: 1) whether or not the monthly status reports are complete for the work plans managed in the Portal; 2) a brief summary of work progress and work completed during the quarter for work plans not managed in the TA Portal; and 3) a summary of financial progress during the quarter. It is not appropriate to simply refer to the TA Portal or to monthly reports.

Below is an example of how you might complete the Overall Progress Narrative field:

- *Admin work plan:* ABC provider participated in 3 check-in calls with HUD; and complete its annual compliance audit for 2017. ABC provider is working with HUD to adjust payments received as per the changes in proposed vs. final ICR for 2016 and 2017.
- *Coordination work plan:* ABC provider participated in TA planning meetings with 2 other TA providers and the HUD SNAPS program office. ABC provider also participated in the November 2018 quarterly call.
- *Ask A Question:* ABC provider received 321 questions and responded to 301 questions. Twenty are forwarded to HD for policy clarification. A new FAQ was prepared and posted on HUD Exchange.
- *HUD Exchange:* Posted web pages for four new HUD programs; coordinated dissemination of FAQs to Field Offices.
- *All other work plans:* ABC provider has submitted all monthly status reports for this quarter in the TA Portal, as of the submission of this report.

- *Financial update:* Award was recently extended by HUD. ABC provider has expended about 2/3 of the award funds. This is less than expected based on the period of performance time. But award was slow to start due to issue with ABC provider financial system and lack of TA assignments from HUD.

Submit reports. Do not submit SF-425 reports that include multiple awards; each award must be reported on a separate SF-425 report. Follow the instructions provided in the SF-425 Fact Sheet to review, revise, create and upload the SF-425 report in DRGR. The SF-425 is submitted through the QPR function.

Effective this reporting period, TA Providers no longer are to submit the SF-425s in sakai.

Any technical questions regarding submission of the reports in DRGR should be sent to [DRGR Ask-A-Question \(AAQ\)](#). All other questions should be directed to the HUD GTR or communitycompass@hud.gov.