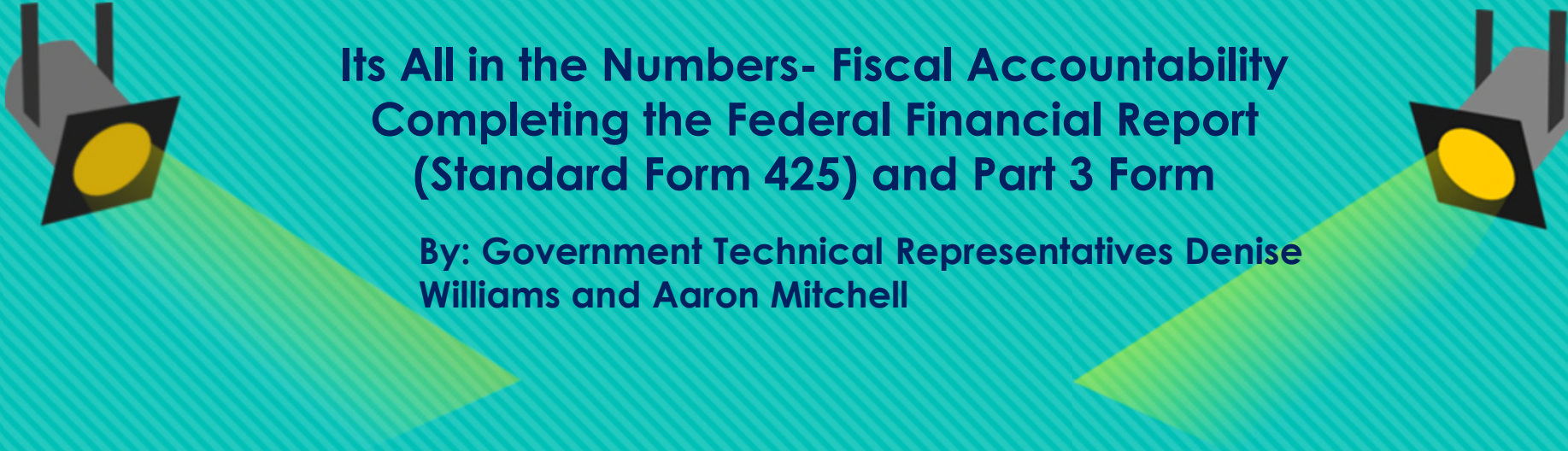


# FY19 NEW GRANTEE ORIENTATION



**Its All in the Numbers- Fiscal Accountability  
Completing the Federal Financial Report  
(Standard Form 425) and Part 3 Form**

**By: Government Technical Representatives Denise  
Williams and Aaron Mitchell**



**GRAPEVINE, TX DECEMBER 3-5, 2019**

# Training Topics

- Purpose of each Form
- Submission Requirements
- Completing the SF-425 and Part 3 Forms
- Common Errors
- Things to Remember

# Completing the Federal Financial Report (Standard Form 425) and Part 3 Form

- The SF-425 and Part 3 are the two most important Federal Financial Report forms that Grantees will use to track obligations and disbursements, and remaining funds. In this training, we will cover the do's and don'ts of filling out both forms.

# Purpose of the Standard Form 425

- The SF-425 form also referred to as the Federal Financial Report (FFR) is a required Office of Management and Budget (OMB) financial reporting form to track the status of financial data tied to a particular Federal grant award.
- The form captures the obligations and disbursements that occurred during the grant period not just the quarter being reported.
- A separate SF-425 must be completed for each grant.

# Submission Requirements

- Grantees are required by the HUD grant agreement to submit a SF-425.
- Due no later than 30 calendar days after the close of each quarter; (3/31, 6/30, 9/30, or 12/31).
- Submit every quarter, regardless of whether expenses were incurred or not, once the project has begun.
- All lines must be completed (if no expenses enter 0.00 or N/A)
- If expenses have not yet been incurred during the life of the grant, report a zero cumulative total.
- If delinquent in prior period reporting, once the project has begun or at least one report has been submitted, submit delinquent report for each quarter.
- Final SF-425 must be submitted no later than 90 days after the Period of Performances end date.

# Completing the SF-425/FFR



## FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted <b>U.S. Department of Housing and Urban Development, Office of Housing Counseling</b>		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)		Page <b>1</b>	of <b>1</b> pages
3. Recipient Organization (Name and complete address including Zip code)					
4a. DUNS Number	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)		6. Report Type <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final	7. Basis of Accounting <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual
8. Project/Grant Period From: (Month, Day, Year)		To: (Month, Day, Year)		9. Reporting Period End Date (Month, Day, Year)	



## FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)		Page	of
		HC150941006		1	1 pages
3. Recipient Organization (Name and complete address including Zip code)					
4a. DUNS Number	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	6. Report Type <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final	7. Basis of Accounting <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual	
8. Project/Grant Period From: (Month, Day, Year)		To: (Month, Day, Year)	9. Reporting Period End Date (Month, Day, Year)		





## FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)		Page	of
		<b>HC150941006</b>		1	1 pages
3. Recipient Organization (Name and complete address including Zip code)					
<b>XYZ Housing Counseling Agency, 6500 Highway Avenue, Washington, DC 20002</b>					
4a. DUNS Number	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	6. Report Type	7. Basis of Accounting	
<b>069500251</b>	<b>43-1569215</b>		<input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final	<input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual	
8. Project/Grant Period From: (Month, Day, Year)		To: (Month, Day, Year)	9. Reporting Period End Date (Month, Day, Year)		



## FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted <b>U.S. Department of Housing and Urban Development, Office of Housing Counseling</b>		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) <b>HC150941006</b>		Page <b>1</b>	of <b>1</b> pages
3. Recipient Organization (Name and complete address including Zip code) <b>XYZ Housing Counseling Agency, 6500 Highway Avenue, Washington, DC 20002</b>					
4a. DUNS Number <b>069500251</b>	4b. EIN <b>43-1569215</b>	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	6. Report Type <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final	7. Basis of Accounting <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual	
8. Project/Grant Period From: (Month, Day, Year) <b>10/01/2014</b>		To: (Month, Day, Year) <b>03/31/2016</b>		9. Reporting Period End Date (Month, Day, Year) <b>09/30/2015</b>	



10. Transactions	Cumulative
<i>(Use lines a-c for single or multiple grant reporting)</i>	
<b>Federal Cash (To report multiple grants, also use FFR Attachment):</b>	
a. Cash Receipts	\$5,000
b. Cash Disbursements	\$5,000
c. Cash on Hand (line a minus b)	\$0

### Block 10. Transactions

FEDERAL CASH: Enter cumulative amounts from the date of award through the end date of the current reporting period.

- a) Cash receipts – amount of federal funds drawn down
- b) Cash Disbursements – amount of federal funds paid out
  - Grantees on the Cash based accounting system: (a) should equal (b)
  - Grantees on the Accrual based accounting system: (b) is usually greater than (a)
- c) Cash on Hand
  - Cash based accounting should be \$0.00 as recipient should not have drawdown any funds greater than that expended. If line (c) is greater than \$0.00 an explanation must be provided.
  - Accrual based accounting will usually be a negative number representing the amount of money owed to recipient (funds expended but not yet reimbursed).

(Use lines **d-o** for single grant reporting)

**Federal Expenditures and Unobligated Balance:**

d. Total Federal funds authorized	\$15,000
e. Federal share of expenditures	\$4,950
f. Federal share of unliquidated obligations	\$0
g. Total Federal share (sum of lines e and f)	\$4,950
h. Unobligated balance of Federal funds (line d minus g)	\$10,050

**Block 10 Transactions (cont'd)**

Federal Expenditures and Unobligated Balance:

- d.) Cumulative obligated (awarded) amount of federal funds to include original obligation and any modifications
- e.) Cumulative federal dollars spent as of the reporting period end date (usually the same as Line (b.))
- f.) Refers to recipient outstanding amounts owed to sub-recipients, contractors, or vendors (if any) as of the reporting period end date. If there are no recipient obligations enter \$0.00
- g.) Line (e.) + Line (f.)
- h.) Line (d.) – Line (g.) = The amount of federal funds remaining

# COMPLETING THE SF-425/FFR

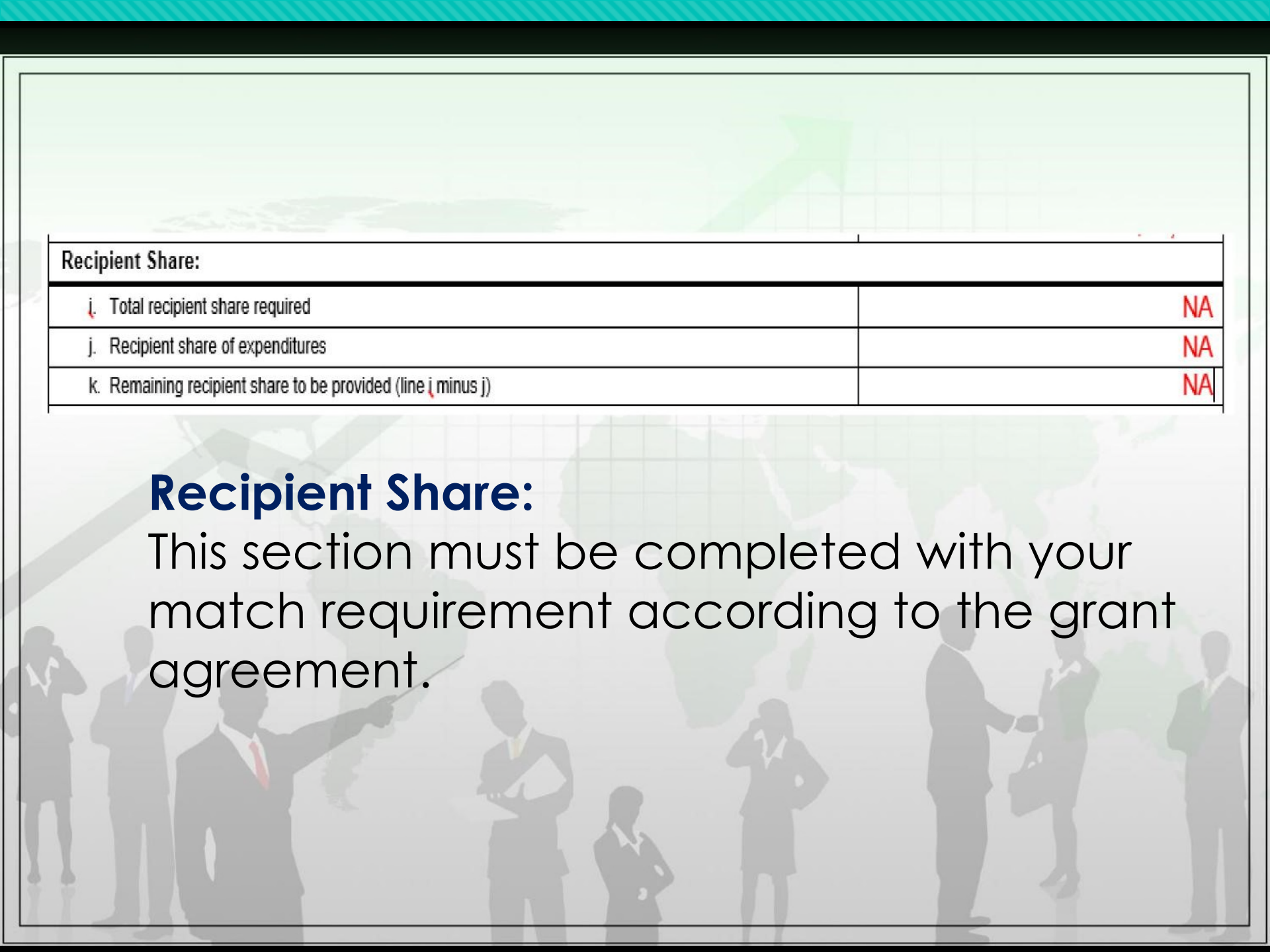
- Cumulative reporting provides a sum of expenditures for the life of a grant. To arrive at your cumulative total, add all expenses incurred to date.
- In the example that follows, and Block 10e-Federal Share continues to increase in each successive SF-425 to show the total amount of expenditures to date. If a Grantee finds that a reporting error has occurred, and in order to correct the SF-425 a deduction from either block is necessary, the Grantee is required to make a notation in Block 12-Remarks.

# COMPLETING THE SF-425/FFR

## For Example:

- For the reporting period 07/01/18 to 09/30/18, Federal expenditures = \$5,000
- For the reporting period 10/01/18 to 12/31/18, Federal expenditures = \$3,320
- The Federal Expenditures and Unobligated Balance Section of the report should be completed as follows:

Federal Expenditures		
<b>Period Ended 09/30/2018</b>		
and Unobligated Balance:		15,000
Total Federal funds authorized		5,000
Federal share of expenditures		-
Federal share of unliquidated obligations		5,000
Total Federal Share (sum lines e & f)		10,000
Unobligated balance of Federal funds (line d minus g)		
<b>Period Ended 12/31/2018</b>		
and Unobligated Balance:		
Federal Expenditures		
Total Federal funds authorized		15,000
Federal share of expenditures	\$5,000 + \$3,320	8,310
Federal share of unliquidated obligations		-
Total Federal Share (sum lines e & f)		8,310
Unobligated balance of Federal funds (line d minus g)		6,690



Recipient Share:	
i. Total recipient share required	NA
j. Recipient share of expenditures	NA
k. Remaining recipient share to be provided (line i minus j)	NA

## Recipient Share:

This section must be completed with your match requirement according to the grant agreement.

Program Income:	
l. Total Federal program income earned	\$200
m. Program income expended in accordance with the deduction alternative	\$200
n. Program income expended in accordance with the addition alternative	
o. Unexpended program income (line l minus line m or line n)	\$0

## PROGRAM INCOME:

This section must be completed if the recipient will generate any income as a result of work performed under this Award. If no income will be generated Lines (l), (m), (n) and (o) should be marked N/A. For all others:

- l) Amount of income earned as a result of this Award
- m) Refer to Award
- n) Refer to Award
- o) Line (l) – line (m) or (n) as applicable




11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
	Provisional	10%	01/01/2012	12/31/2016	\$4,500	\$450	\$450
				g. Totals:	\$4,500	\$450	\$450

## Block 11. Indirect Expenses

**This section must be completed if recipient is charging indirect costs, otherwise leave blank.**

- Type of indirect cost rate: Provisional, Predetermined, Final or Fixed
- Rate (%) in effect during the reporting period
- Beginning and ending dates for the effective rate
- Amount of the base against which the rate was applied. Ex: if the agreement provides for indirect costs and the rate negotiated was computed using salaries and wages only, then the rate may only be applied to the amount paid for salaries and wages (not to travel, equipment, or other direct costs etc.)
- Multiply 11 (b) x 11 (d)
- 11 (f) = 11 (e) unless charging the government less than the indirect costs incurred.
- Enter totals for columns 11 (d), 11 (e), and 11 (f)

12. <i>Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:</i>	
13. <b>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 18, Section 1001)</b>	
a. Typed or Printed Name and Title of Authorized Certifying Official	c. Telephone (Area code, number and extension) <b>410-309-4929, ext. 201</b>
	d. Email address <b>robinb@bmc-llc.net</b>
b. Signature of Authorized Certifying Official <b>Robin L. Booth, CPA</b>	e. Date Report Submitted (Month, Day, Year) <b>09/30/2015</b>

### Block 12. Remarks

Enter or attach any explanation recipient feels should be included with the report.

### Block 13. Certification

Please make sure all information is legible.

- Print or type the name of the person authorized to sign this document
- Signature of the person authorized to sign this document
- Telephone number of the person to contact for questions
- E-mail address of the person to contact for questions
- Submission date



# COMMON ERRORS for SF-425

# COMMON ERRORS for SF-425

FEDERAL FINANCIAL REPORT				
(Follow form instructions)				
1. Federal Agency and Organizational Element to Which Report is Submitted		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)		Page <b>1</b> of _____ pages
3. Recipient Organization (Name and complete address including Zip code)				
4a. DUNS Number	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final	7. Basis of Accounting <input type="checkbox"/> Cash <input type="checkbox"/> Accrual
8. Project/Grant Period From: (Month, Day, Year)		To: (Month, Day, Year)	9. Reporting Period End Date (Month, Day, Year)	
10. Transactions			Cumulative	

- Incomplete forms
- Not reporting the correct grant number
- Not capturing the accurate reporting type
- Not reporting the accurate reporting period end date

# COMMON ERRORS for SF-425

10. Transactions	Cumulative
<i>(Use lines a-c for single or multiple grant reporting)</i>	
Federal Cash (To report multiple grants, also use FFR Attachment):	
a. Cash Receipts	
b. Cash Disbursements	
c. Cash on Hand (line a minus b)	

- 10(a), Not reporting the correct amount of the grant funds authorized (received) as of the beginning of the grant reporting period to the reporting period end date.
- 10(b), Not reporting the correct amount of Federal funds disbursed from the start of the award through the reporting period end date.

# COMMON ERRORS for SF-425

Notable Reasons for the Net Effect on Cash on Hand:

- **Positive (Excess) Cash Flow**
- **Negative Cash Flow**
- **Waiting for eLOCCS reimbursement**

10. Transactions	Cumulative
<i>(Use lines a-c for single or multiple grant reporting)</i>	
<b>Federal Cash:</b> <i>(To report multiple grants, also use FFR Attachment)</i>	
a. Cash Receipts	
b. Cash Disbursements	
c. Cash on Hand <i>(line a minus b)</i>	
<i>(Use lines d-o for single grant reporting)</i>	
<b>Federal Expenditures and Unobligated Balance:</b>	
d. Total Federal funds authorized	
e. Federal share of expenditures	
f. Federal share of unliquidated obligations	
g. Total Federal share <i>(sum of lines e and f)</i>	
h. Unobligated balance of Federal funds <i>(line d minus g)</i>	
<b>Recipient Share:</b>	
i. Total recipient share required	
j. Recipient share of expenditures	
k. Remaining recipient share to be provided <i>(line i minus j)</i>	
<b>Program Income:</b>	
l. Total Federal program income earned	
m. Program income expended in accordance with the deduction alternative	
n. Program income expended in accordance with the addition alternative	
o. Unexpended program income <i>(line l minus line m or line n)</i>	

# COMMON ERRORS for SF-425

*(Use lines d-o for single grant reporting)*

## Federal Expenditures and Unobligated Balance:

d. Total Federal funds authorized	
e. Federal share of expenditures	
f. Federal share of unliquidated obligations	
g. Total Federal share (sum of lines e and f)	
h. Unobligated balance of Federal funds (line d minus g)	

- 10(e), Not reporting the correct amount of actual disbursements ( direct and indirect expenses) charged to the grant as of the reporting period end date. Do not include any program income expended.
- 10(f), Not reporting all incurred expenses owed (un- liquidated obligations) but not yet recognized.



# COMMON ERRORS for SF-425

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

- 10(l), Not reporting the cumulative amount of program income received during beginning of the grant reporting period to the reporting period end date.
- 10(m), Not reporting the correct amount of program income expended for HUD grant activities supported under the grant during the reporting period end date.



# COMMON ERRORS for SF-425

**Not including notes for the following exceptions:**

- Cash on hand;
- Unobligated balance of Federal funds;  
and
- Unexpected Program Income.



# Part 3 Form

- The Part 3 is a summary of costs reimbursed through LOCCS for each budget category – **MUST BE SIGNED**
- Includes Administrative Costs Summary and Match Commitment Summary
- Grantees will fill this out both manually in the Budget Workbook and electronically within the LOCCS request.
- Grantees are to use the Part 3 – Financial Reporting Form in accordance with OLHCHH Policy Guidance PGI 2015-02, “Line of Credit Control System (eLOCCS) Reimbursement Procedures”.

# Submission of the Part 3 Form

- With each eLOCCS submission the Grantee shall submit to the GTR a copy of the original signed Voucher.
- The voucher shall be supported by the Part 3, which is a detailed breakdown of the cost(s).
- With each budget revision, your Part 3 will be updated through the Excel Budget Worksheet you must use.

# Part 3 Form

## PART 3 FINANCIAL REPORTING HUD Lead Hazard Control Grants

Grant Agreement Number:  
Grant Organization:  
Report Period:

BUDGET CATEGORIES*	NEGOTIATED BUDGET	APPROVED LOCCS DRAWDOWNS THIS PERIOD*	CUMULATIVE LOCCS DRAWDOWNS TO DATE*	AVAILABLE BALANCE
1. Personnel (Direct Labor)	600,412.80	\$14,178.23	364,311.40	206,101.40
2. Fringe Benefits	244,033.12	\$7,662.38	160,280.24	83,752.88
3. Travel	20,727.00	-	6,022.17	14,704.83
4. Equipment	-	-	-	-
5. Supplies and Materials	23,538.71	-	7,223.02	16,315.69
6. Consultants	-	-	-	-
7. Contracts / Sub-Grantees /				
7a. Mustardseed	29,400.00	-	20,400.00	9,000.00
7b. LHC - Owner Occupied	556,500.18	\$28,156.00	408,760.00	147,720.18
7c. LHC - Rental	326,751.15	-	206,249.00	60,502.15
7d. Healthy Homes Interiors	180,000.00	\$8,239.00	103,870.00	76,030.00
7e. Other	4,000.00	-	144.16	3,855.82
7f. Other	68,000.00	-	-	68,000.00
7g. Other	76,500.00	-	-	76,500.00
7h. Other	76,500.00	-	42,675.00	33,825.00
7i. Other	-	-	-	-
7k. City of Independence	85,000.00	-	8,850.00	76,150.00
7l.	-	-	-	-
7m.	-	-	-	-
7n.	-	-	-	-
7o.	-	-	-	-
Subtotal Item 7	1,402,651.33	36,395.00	651,068.16	551,583.15
8. Other Direct Costs	188,637.04	\$1,510.46	102,360.63	86,276.41
9. Indirect Costs	-	-	-	-
10. TOTALS*	2,490,000.00	58,646.05	1,521,265.64	968,734.36

Negotiated Budget

LOCCS REQUEST

Cumulative Loccs  
including Request

Available Balance  
including request

Negotiated budget must match last approved budget document

NO negative balances can result from draw being approved

# Part 3 Form

Admin Sub  
Report  
Breakdown

## FINANCIAL REPORT HUD Lead Hazard Co

Grant Agreement Number:	
Grant Organization:	MO Health Department
Report Period:	May Year 2014

### Administrative Cost Summary

BUDGET CATEGORIES*	NEGOTIATED BUDGET	APPROVED LOCCS DRAWDOWNS THIS PERIOD*	CUMULATIVE LOCCS DRAWDOWNS TO DATE*	AVAILABLE BALANCE
1. Personnel	102,541.92	2,839.84	70,464.34	32,077.58
2. Fringe Benefits	41,863.29	1,154.39	34,070.10	7,613.19
3. Travel	20,727.00		6,022.17	14,704.83
4. Equipment			-	-
5. Supplies and Materials	12,968.00		7,103.37	5,862.63
6. Consultants			-	-
7. Contracts / Sub-Grantees /			-	-
8. Other Grant Costs	17,400.00	0.46	12,292.55	5,107.45
10. TOTALS ADMIN COSTS*	195,338.21	3,994.69	129,952.53	65,385.68

\* Administrative costs included in totals expended are not to exceed 10-percent.

No Negative Balances can results from the requested draw.

Total Award \$2,480,000 with HHI Budgeted

Minimum Direct Costs:	\$ 1,612,000.00	\$ 1,806,526.19	meets
Maximum Administrative Exp:	\$ 248,000.00	\$ 195,338.21	meets

# Part 3 Form

Match Commitment Summary		
Source of Match Funds	Eligible Activities	Amount this Quarter
In-kind cost	staff time	\$12,137

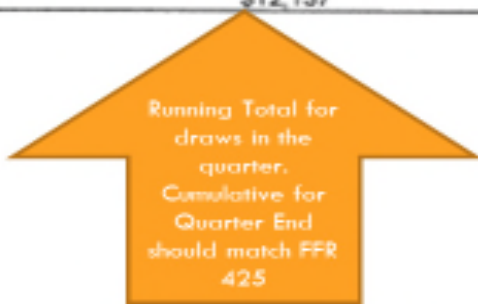
Match Commitment Summary		
Total Match Commitment	Total Match This Quarter	Cumulative Match
\$252,830	\$12,137	\$178,722



Ensure the source is eligible and specific details given.



Total should always match the amount on 1044



Running Total for draws in the quarter. Cumulative for Quarter End should match FFR 425



Running totals all quarters to date.

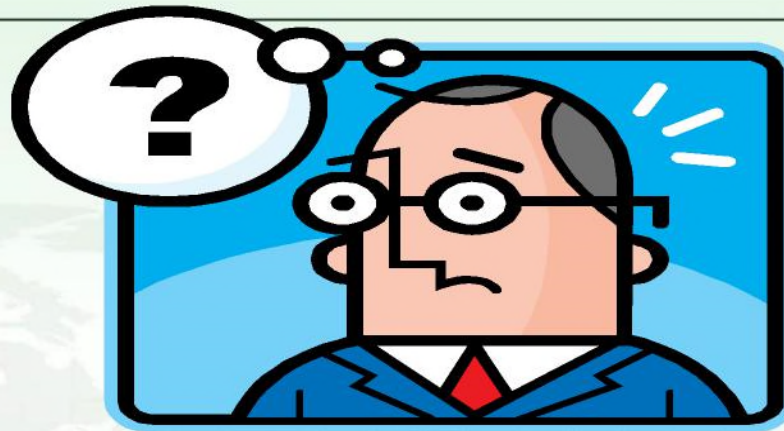
# Common Errors for Part 3

- Negative numbers in Available Balance
- Draw from the wrong budget line item requiring a reconciliation – speak with your GTR on best way to handle
- Scratch out or corrections – must be typed and correct
- Signature is missing
- Does not match current revised budget

# THINGS TO REMEMBER

- Double-check to make sure the SF-425 and Part 3 are completed correctly and contain all required information and signatures.
- Have a copy of your award notification available for reference purposes.
- Have copies of the last reported SF-425 (to refer to). If you are a new grantee, this would be the 1<sup>st</sup> report.
- Report program outlays and program income on the same accounting basis (either cash or accrual).
- During closeout, Grantees must submit a completed SF-425 and Final Voucher including the Part 3. The balance reported on the SF-425 and the Part 3 **MUST** agree with the balance reported in LOCCS.





# Questions

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**THANK  
YOU**