

# PROGRAM GUIDANCE

---

**PROGRAM:** All Programs Administered by the Office of Native American Programs  
Except the Indian Housing Block Grant Program

**FOR:** All Tribal Government Leaders, Tribally Designated Housing Entities,  
and the Department of Hawaiian Home Lands

*RJB*

**FROM:** Rodger J. Boyd, Deputy Assistant Secretary for Native American  
Programs, PN

**TOPIC:** Federal Financial Report – Standard Form 425

---

**PURPOSE:** The purpose of this guidance is to update tribes, tribally designated housing entities (TDHE), and the Department of Hawaiian Home Lands (DHHL) on the reporting requirements for the Federal Financial Report (FFR). This guidance replaces Notice PIH 2009-46, Program Guidance 2010-10, and Program Guidance 2012-02.

This guidance does not apply to the Indian Housing Block Grant program (IHBG). Program Guidance 2014-07, issued on July 21, 2014, provides specific instructions on the SF-425 for the (IHBG) program.

**BACKGROUND:** The Federal Financial Report (FFR) Standard Form (SF) 425 applies to all Federal grant programs. Each recipient of Federal financial assistance must account for the funds received and disbursed. Grant disbursements are expected to be expended within three (3) business days of receipt. The primary focus of the FFR for ONAP programs is to:

- a) record and track the revenue and expenditure of grant program funds;
- b) capture anticipated obligations of grant funds (paid expenses that will be reimbursed with grant funds); and
- c) report program income.

**DUE DATES:** FFRs are required to be submitted quarterly, semi-annually, or annually depending on the grant type and applicable program requirements. FFRs must be submitted to the respective Area ONAP no later than **30 days** after the end of the reporting period. Final FFRs must be submitted no later than **90 days** after the grant period end date. Reports may be submitted by regular mail, fax, or e-mail attachment. The reporting frequencies are shown in the table below.

<b>Program</b>	<b>Due Date</b>
ICDBG & NHHBG	Jan 30 <sup>th</sup> , April 29 <sup>th</sup> , July 30 <sup>th</sup> , Dec 30 <sup>th</sup> .
RIF	April 30 <sup>th</sup> and Oct 30 <sup>th</sup>
RHED	Due semi-annually from the date of the award
ROSS	FY 2009 and later: Annually. Pre-FY 2009: Semi-Annually.

**DEFINITION OF TERMS:** The FFR and its instructions contain several technical terms. The definitions are provided below in alphabetical order.

*Accrual Accounting:* An accounting method that records revenue and expenses when incurred, regardless of when cash is exchanged. In general, economic events are recognized by matching revenues to expenses (the matching principle) at the time the transaction occurs, rather than when payment is made (or received). This method allows the current cash inflows/outflows to be combined with future expected cash inflows/outflows to give a more accurate picture of a recipient's current financial condition.

*Cash Basis Accounting:* An accounting method where income (or revenue) is recognized only when payment is received and expense is recognized only when payment is made. For instance, when cash is received for the sale of property, it is recorded in the accounting records as revenue at the time payment is received. This is in contrast with accrual accounting, where the sale would be recorded in the books of account when a contract is executed.

*Cash Disbursements:* Payment for goods or services in cash, check, or electronic payment.

*Cash on Hand:* Cash in actual possession; also called cash-in-hand or cash-on-hand.

*Cash Receipt:* The collection of money (currency, coins, checks).

*Federal Share of Un-liquidated Obligations:* The amount of Federal funds legally committed that have not been disbursed, such as accounts payable for items ordered or received but not yet paid.

*Fund Accounting:* A system used by nonprofit and government organizations, including tribal governments and TDHEs. The accounting records take the form of a collection of funds, each fund having a distinct purpose, ranging from operating expenses to funding the various activities of the organization.

*Obligation:* Any legally binding agreement to pay a particular sum of money for contract labor, supplies, materials, or services. Please refer to Notice PIH 2000-26 (TDHEs) for a description of the different types of funding obligations.

*Program Income Earned:* Represents income earned by the recipient that is directly generated by a supported activity or earned as a result of the award.

*Total Federal Funds Authorized:* Represents the total amount of Federal funds awarded for approved activities or projects.

**Requirements for completing the FFR:** The chart below provides the citation for the financial reporting requirements:

Program	Financial Reporting Requirement
Native Hawaiian Housing Block Grant (NHHBG)	24 CFR § 1006.370 and 2 CFR § 200.327
Indian Community Development Block Grant (ICDBG)	24 CFR § 1003.501 and 2 CFR § 200.327
Resident Opportunities and Self-Sufficiency (ROSS) <sup>1</sup>	Grant Agreement references and 2 CFR § 200.327
Rural Housing and Economic Development (RHED)	Grant Agreement references and 2 CFR § 200.327
Rural Innovation Fund (RIF)	Grant Agreement references and 2 CFR § 200.327

The FFR SF-425 form is available for downloading from the following website:

[http://www.whitehouse.gov/sites/default/files/omb/assets/grants\\_forms/SF-425.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/grants_forms/SF-425.pdf)

**LINE-BY-LINE INSTRUCTIONS:** The FFR instructions below provide a line-by-line description of each component of the FFR. Recipients are expected to follow the instructions closely to ensure data accuracy, consistency, and reliability.

All FFRs submitted to the Area ONAP are based on single-grant reporting; therefore, only the SF-425 is used. The SF-425A is used for multiple grant reporting and is not applicable to any of ONAP’s programs at this time.

The financial data included in the FFR must be cumulative throughout the grant term, and a separate SF-425 is required for each grant. If a recipient has an ICDBG grant and a Mold grant, the recipient must submit two SF 425s each reporting period using the single grant reporting option.

The following table outlines the instructions for reporting grant program revenue and expenditures:

Form Line Item	ONAP Guidance
1	Enter “Department of Housing and Urban Development ONAP”
2	Enter the grant number assigned by the Federal agency.
3	Enter the name and complete address of the recipient organization including zip code.

<sup>1</sup> ROSS grants awarded in FFY 2015 and later will be subject to 2 CFR 200.327.

Form Line Item	ONAP Guidance
4(a)	Enter the recipient organization’s Data Universal Numbering System (DUNS) number.
4(b)	Enter the recipient organization’s Employer Identification Number (EIN).
5	This is optional. The recipient may enter its organization’s account number or other identifier they assign, or leave blank.
6	Mark appropriate box.
7	Mark appropriate box Cash or Accrual. Financial data should be presented using the same basis of accounting as the Annual Performance Report and the Schedule of Expenditures of Federal Awards (SEFA). (i.e. financial statements prepared by the recipient in preparation for completion of the audit process in accordance with 2 CFR 200, Subpart F). To ensure that the grant accrual methodology remains reasonable and appropriate, HUD will review the approach each quarter based on receipt of FFR (SF-425) data. It is critical that the methodology of the accrual process is consistently applied.
8	<p>For NHHBG, the “From” date should reflect the date that the grant agreement was signed by the recipient. Since there is no “To” date associated with the NHHBG programs or identified on the grant agreement, this line may remain blank.</p> <p>For ICDBG, RHED, ROSS, and RIF, the “From” date should reflect the date that the grant agreement was signed by the recipient or the Department, whichever is later. The “To” date should reflect the date that the grant is expected and/or required to be completed.</p> <p>In the case of ICDBG, the “To” date should coincide with the anticipated closeout date identified on the latest Project Implementation Schedule (Form HUD-4125).</p> <p>For ROSS, RHED and RIF, the “To” date should coincide with anticipated completion dates identified in the approved application, but no later than the grant period end date identified in the grant agreement and/or applicable Notice of Funding Availability or approved extension.</p>
9	Enter the end date of the current SF-425 reporting period. Use the following reporting period end dates: 3/31, 6/30, 9/30, or 12/31.
10a	Enter the cumulative amount of actual revenue received from LOCCS as of the reporting period end date.
10b	Enter the cumulative amount of Federal fund disbursements (such as cash or checks) as of the reporting period end date. Disbursements are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expenses charged to the award, and the amount of cash advances and payments made to sub-recipients and contractors. This may include project expenses paid with other funds that will be reimbursed using grant funds.
10c	Enter the amount of Line 10a minus Line 10b. This amount represents immediate cash needs. Excess cash on hand, for more than 3 business days, requires an explanation on Line 12, Remarks, explaining why the draw down was made prematurely or other reasons for the excess cash.
10d	Enter the total Federal funds authorized. This is the grant amount.

Form Line Item	ONAP Guidance
10e	Enter the amount of Federal fund expenditures. This amount will equal or exceed the amount reported on Line 10b. For reports prepared on a cash basis, expenditures are: the sum of cash disbursements for direct charges for property and services; the amount of indirect expense charged; the value of third-party, in-kind contributions applied; and the amount of cash advance payments and payments made to sub-recipients. For reports prepared on an accrual basis, expenditures are the sum of cash disbursements for direct charges for property and services; the amount of indirect expense incurred; the value of in-kind contributions applied; and the net increase or decrease in the amounts owed by the recipient for (1) goods and other property received; (2) services performed by employees, contractors, sub-recipients, and other payees; and (3) programs for which no current services or performance are required.
10f	Enter the Federal portion of unliquidated obligations. Unliquidated obligations on a cash basis are obligations incurred, but not yet paid, including amounts due to sub-recipients and contractors. On an accrual basis, they are obligations incurred, but no expenditures have been recorded. Do not include any amount in Line 10f that has been reported in Line 10e. Do not include any amount in Line 10f for a future commitment of funds (such as a long-term contract) for which an obligation or expense has not been incurred.
10g	Enter the sum of Lines 10e and 10f.
10h	Enter the amount of Line 10d minus Line 10g.
10i	Enter recipient share, if required.
10j	Enter recipient funds (e.g., tribal funds, revolving loans, non-program income, rental receipts, etc.) expended for program activities.
10k	Enter the amount of Line 10i minus Line 10j.
10l	Enter the cumulative amount of Federal program income earned.
10m	Leave blank. ONAP recipients are not required to use earned income to reduce the grant amount.
10n	Enter the cumulative amount of program income expenditures.
10o	Enter the amount of Line 10l minus Line 10n. This amount equals the program income that has been earned but not expended, as of the reporting period end date.
11	This information should be completed as applicable.
12	The remarks should clarify or explain information contained in the report. Additional pages may be attached. Explanations should be provided for the following: <b>Cash on Hand:</b> Explain any cash on hand that exceeds cash needs of 3 business days. <b>Amounts Entered on Line 10l:</b> Explain amounts entered on 10l.
13a	Enter the name and title of the authorized certifying official.
13b	The authorized certifying official must sign here.
13c	Enter the telephone number (including area code and extension) of the individual listed in Line 13a.
13d	Enter the email address of the individual listed in Line 13a.
13e	Enter the date the FFR is submitted to the Federal agency using the month, day, and year format.

**SOURCE DOCUMENTATION RETENTION:** Recipients of Federal funds are required to maintain relevant and reliable accounting systems to ensure that the information provided in the FFR is consistent and fairly presented, as required by 2 CFR Part 200, Subpart D. Furthermore, recipients are required to maintain all source documents and accumulated transactional documents for expenses included in the FFR, as required by 2 CFR § 200.333.

**SANCTIONS:** If HUD determines that a recipient has failed to comply with its financial accounting, documentation, and reporting responsibilities, HUD is authorized to initiate sanctions against the recipient, as stipulated at 2 CFR § 200.338; 24 CFR §§ 1003.701-703; and 24 CFR Part 1006, Subpart E. These sanctions include the suspension, limitation, and/or termination of the recipient's HUD-funded grants.

**ADDITIONAL GUIDANCE:** Contact your Area ONAP if you have any questions.

Attachment

**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 1 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 (Month, Day, Year) From: _____ To: _____	9. Reporting Period End Date (Month, Day, Year)
---	---

10. Transactions	Cumulative
------------------	------------

*(Use lines a-c for single or combined multiple grant reporting)*

**Federal Cash (To report multiple grants separately, also use FFR Attachment):**

a. Cash Receipts	
b. Cash Disbursements	
c. Cash on Hand (line a minus b)	

*(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)	

**Recipient Share:**

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

**Program Income:**

l. Total Federal share of 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)	

11.	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
Indirect Expense							
						g. Totals:	

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:

**13. Certification: By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and intent set forth in the award documents. 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)**

a. Typed or Printed Name and Title of Authorized Certifying Official	c. Telephone (Area code, number, and extension)
	d. Email Address
b. Signature of Authorized Certifying Official	e. Date Report Submitted (Month, Day, Year)

14. Agency use only:

Standard Form 425 - Revised 10/11/2011  
OMB Approval Number: 0348-0061  
Expiration Date: 2/28/2015

**Paperwork Burden Statement**  
According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0061), Washington, DC 20503.