

Slide 14 Who is Responsible for What?

- Federal Agencies including FMCSA must report prime award information to the FFATA Sub-Award Reporting System (FSRS)/USASpending
- Sub-Awardees must report award information to Grantees who are responsible for reporting both Grantee and Sub-Awardee information to FSRS/USASpending

Instructor notes:

- This slide may better explain who reports what and when.
- The FFATA guidance defines a sub-award as generally referring to a monetary award (of \$25,000 or more) made as a result of a Federal award to a grant recipient or contractor to a sub-recipient or sub-contractor respectively.
- Therefore FMCSA grantees that essentially pay (with grant funds) a sub-grantee or sub-contractor an amount of \$25,000 or more, must report that to USASpending.
- Some of the information required are things such as sub-awardee name, address, DUNS number, Congressional district, amount of sub-award, dates, among other limited information.
- The FFATA reporting should be a one time event, per award, at the time of award, but if there are modifications that affect any of the data, updates would be required.

Slide 15 FFATA – Grantee Responsibilities

- As of October 2010 grantees are required to submit sub-award data
- Applies to all FY11 and beyond awards for all federal awards
- Full reporting requirements began March 2011
- Report once per sub-award at the end of the month following the month in which the sub-award was made

Instructor notes:

- The federal government phased in the sub-grantee reporting requirement starting with sub-awards under federally-awarded contracts and orders valued greater than or equal to \$550,000, starting October 1, 2010. It is likely that not very many of you would have sub-awards of sufficient size to require this reporting, but some may.
- Then reporting on sub-awards under federally-awarded contracts and orders valued greater than or equal to **\$25,000**, starting on March 1, 2011.
- I suspect that most of you have sub-awards to report based on that criteria.
- FFATA sub-award reporting applies to all federal grants, not just FMCSA. So if you have other DOT grants or Justice grants on which you have sub-awards then this applies to those as well
- This is one time per award reporting requirement unless you modify your sub-award
- As we have found many FMCSA grantees are unaware of this requirement. It could be because your CFO or grants office is already taking care of this requirement or it could be that your organization is unaware and needs to catch up on its reporting.
- If you were unaware of these requirements and did not do this reporting last year, when you report this year, you may want to submit your award data for last year as well to get caught up and to prepare for any possible audit.
- Although FMCSA has not monitored for this in the past they will be doing so going forward and most auditors will be looking for adherence to this requirement as well.

Slide 16 FFATA Reporting Resources

- <https://www.fsrs.gov/>
- [https://www.fsrs.gov/documents/OMB Guidance on FFATA Subaward and Executive Compensation Reporting 08272010.pdf](https://www.fsrs.gov/documents/OMB_Guidance_on_FFATA_Subaward_and_Executive_Compensation_Reporting_08272010.pdf)
- <https://www.fsrs.gov/#a-faqs>
- <http://www.usaspending.gov>
- <http://www.usaspending.gov/news#webinars>
- <http://www.whitehouse.gov/omb/open>

Instructor notes:

- Here are a few resources that may prove helpful to help you get started, register with FSRS and become familiar with the requirements
- There is a system training webinar on fsrs.gov that walks your through the data entry and some very good overall FFATA sub-awardee reporting webinars and presentations on usaspending.gov/news that may prove helpful
- We are not experts on this federal grants management requirement so it is best that you proceed to these resources and we will assist with further information as able.
- Some additional resources include, the Office of Management & Budget guidance related to Open Government and Transparency to include an April 6, 2010 memo requiring the reporting of first-tier sub-awards, or on August 27, 2010.
- OMB issued guidance to Federal agencies on implementation of the Transparency Act's executive compensation and sub-award reporting and on September 14, 2010, OMB issued interim final guidance to Federal agencies on the grants sub-award reporting, CCR registration, and DUNS number requirements.

Slide 17 Quarterly Reports

Instructor notes:
(Transition slide)

Slide 18 Quarterly Reports

- 49 CFR Sections 18.40-18.41/19.51-19.52 and NGA
- Financial (SF-425 or FFR) and Progress Reports (SF-PPR) due **every** quarter until end of POP
- Submit first quarter following execution of the NGA – reflect work performed to date
- One report per grant award (not per grantee)
- Submit in electronic format to FMCSA Grant Manager
- FMCSA Grant Manager can withhold payments for non-compliance

Instructor notes:

- Quarterly Reporting can be found in Section 6.3, page 47 of the grantee manual
- The core requirement is that every grantee submit an SF-425 or FFR – financial report and a SF-PPR, Performance /Progress report every quarter for every grant award until the period of performance ends or the money is all gone.
- The reports are by the grantee, by grant award – so if you have two MCSAP Basic grants open, one from FY11 and one from FY12, you must prepare separate quarterly reports for each grant award.
- The first quarterly SF-PPR and SF-425 reports should be submitted the first Quarter following the execution of the NGA (i.e., if the Grant Agreement (NGA) is signed November 30th, the first quarterly report will be due January 30th). – but reflect the performance period to date. We will explain this further on the following slides.
- If you need additional time to submit a quarterly report, submit a request to the Grant Manager with written justification for an extension to the due date and they are likely to allow the extra time, but not on a chronic basis.
- If you fail to submit quarterly reports as required and you have not been granted an extension to the due date, the Grant Manager will provide formal notification of past-due reports to you in writing (email, fax, mailed letter). If they continue to be late the Grant Manager may be required to withhold payment or take other enforcement actions.
- Note that the slide references the regulations behind this requirement and it is stated in the grant agreement terms and conditions as well.
- When we say electronic format here, we mean anything from a Word document to a PDF.

Slide 19 Quarterly Report Submission Schedule

- 1st Quarter Reporting Period: October 1 to December 31; Due No Later Than: January 30
- 2nd Quarter Reporting Period: January 1 to March 31; Due No Later Than: April 30
- 3rd Quarter Reporting Period: April 1 to June 30; Due No Later Than: July 30
- 4th Quarter Reporting Period: July 1 to September 30; Due No Later Than: October 30
- Final Report Summarizes the last quarter of activity as well as the entire POP; due 90 calendar days after the expiration or termination of the award

Instructor notes:

- Quarterly reports are due 30 days after the end of the fiscal year quarter, unless otherwise noted in the award document (usually for high-risk recipients).
- All FMCSA grant programs require a final financial and performance report summarizing the project financials and performance during the grant's entire period of performance.
- The final report is due 90 days after the approval of the final voucher or receipt of the no further claims letter, in accordance with the provision of 49 CFR 18.40.
- The Final Report may be incorporated into the last quarterly report if submitted when the quarterly report is due, however it must include all cumulative information and data for the entire grant period.
- **Note:** In many cases a grant's period of performance will not correspond exactly to a traditional fiscal year's quarters, since discretionary grants take effect on execution, not on October 1st. The dates shown above should be used as guidelines. For example, if the grant's period of performance begins on December 1st, the first quarter report will be summarizing progress for 30 days, not three months.

Slide 20 Quarterly Report Example

This slide includes an example of a Quarterly Report. The top row shows the FY11 MCSAP Basic Grant Reporting schedule for Q1, Q2, Q3, and Q4. The bottom arrows show FY12 and FY11 Basic Grant Reporting per quarter. Oversees day-to-day performance of grants

Instructor notes:

- Understanding when your first quarterly report is due and what it should contain and when your last quarterly report is due and what it should cover has been a challenging topic for grantees.
- Let's see if this time line can help illustrate it a little.
- If the grant period of performance starts October 1, such as for MCSAP Basic and the Green Line representing FY11 grant award, the first quarterly report should reflect the activity from the beginning of the period of performance through the date of the first report. So in this case the grant is awarded in February, therefore the first quarterly report would be due on April 30th, but will cover all activities funded with FY11 grant funds and that occurred between October 1, 2010 and March 31st, 2011. Or if you prefer you can submit two reports, one for each quarter, but submitted at the same time on April 30th.
- However, if you did not spend any FY11 funds until the 2nd quarter of FY11, you would still submit two reports on April 30th, but the first quarter will show \$0 spent or activities conducted and then you will show some funds and activities in the 2nd quarter.
- **The key is to follow the money!** The report is reflective of the funds, so if you expended grant funds for specific activities than they should be on the report associated with those funds regardless of when the activities occurred.
- Quarterly status reports must be submitted to report on the progress of the grant even if there has been no activity on the grant (once the grant is executed – this doesn't mean once the CVSP Plan is approved), as well as they must continue until the grant is closed (final voucher approved or the no further claims letter received).
- Based on this approach, you are likely to at some point in the FY, be submitting two quarterly reports on two different grant awards and funding years at the same time.
- All funding should be maintained separately in the grantee's financial management system so that they can track FY11 and FY12 funds separately.
- Yes there may feel like a disconnect between the one year CVSP and the quarterly reporting, but if you are following the money, the progress and performance is tied to the money paying for it. The quarterly report submissions are based on the grant funding period or period to expend.

Slide 21 Performance Reports

- All grantees must submit an SF-PPR and appropriate attachments, per grant
- Attachments include SF-PPR-B for most programs, special PPR forms for MCSAP and PRISM
- The PPR and FFR should be submitted at the same time or close to it, at the end of the POP

Instructor notes:

- The SF-PPR is the Performance Report form. It is a standard government wide form.
- As we discussed earlier, timely submission of the SF-PPR is important and a requirement of the grant agreement. In addition, the Division can request additional documentation as needed for any report provided.
- Section 6.3.2, page 48 of the in the grantee manual covers the PPR and the form is on Page 152 in Appendix K of the grantee manual.
- Ideally submission of the PPR and FFR should be at the same time so that they can be compared, matching the activities to the money spent.

Slide 22 SF-PPR Required Attachments

- FMCSA Grant Programs: Border Enforcement Grants (BEG); Commercial Driver License (CDL) Improvement Program; CDL Improvement System (CDLIS); CMV Operator Safety Training; SF-PPR Required Attachment: SF-PPR-B
- FMCSA Grant Programs: MCSAP Basic and Incentive <http://www.fmcsa.dot.gov/safety-security/safety-initiatives/mcsap/mcsapforms.htm>; SF-PPR Required Attachment: MCSAP Formula Report
- FMCSA Grant Programs: MCSAP High Priority (HP) and New Entrant Safety Audit (NE); SF-PPR Required Attachment: MCSAP Discretionary Report
- FMCSA Grant Programs: Commercial Vehicle Information Systems Management (CVISN); Safety Data Improvement Program (SaDIP); SF-PPR Required Attachment: None
- FMCSA Grant Programs: Performance and Registration Information Systems Management (PRISM); SF-PPR Required Attachment: SF-PPR-B_PRISM

Instructor notes:

- This slide delineates which SF-PPR forms are used by which program. All FMCSA programs require the submission of an SF-PPR, however many of them also require the SF-PPRB and/or program specific attachments.
- You can find all of these attachments on the FMCSA webpage.
- OK, now lets get into the meat of the PPR.

Slide 23 Performance Progress Report Format (PPR)

- Executive Summary - Summarize trends and progress towards program-specific objectives.
- Program Objectives and Progress - Brief description of the project's objective(s) in narrative form
 - Objective(s) – defined and measurable – list separately, if more than one (MCSAP include national program elements)
 - Strategies and activities – progress against them
 - Expected outcome and results – progress, to include dates and changes to dates as needed
- Signed and certified by grantee's authorizing official designated to sign quarterly reports

Instructor notes:

- Here we have basically outlined the format for the narrative portion of the SF-PPR
- It consists of two parts, the Program Objectives and Progress portions, both of which can be in table format and limited narrative, as long as you can map them against the original objectives.
- The Executive Summary should be just that, a high level, brief, just a few pages, summary of the whole application.
- An SF-PPR (the SF-PPR is formatted to clearly compare the work described in the application, including the milestones and objective dates, with your progress toward those objectives).
- It should just reflect the activities in the past quarter or those covered by this report (can be cumulative on the first report, if the activity spans over more than one quarter due to the date of the grant award execution.)
- Any quarterly report can include cumulative numbers as well, and may be easier to do so for the final report, as long as you also reflect that specific quarter as well. For example, one column is quarter and the other column is cumulative. If presenting in a spreadsheet format.
- Also the final PPR may act as both the last quarterly report and the Final Report as long as it covers the past quarter as well as the cumulative results for the duration of the grant.
- The grantee AO for the quarterly report may be the same individual as the one that signed the SF-424 (grantee representative), or it can be a designee at the grantee, as long as it is an official designee.

Slide 24 Performance Progress Reports Tips

- Programmatic Progress
 - Is the project meeting the requirements and objectives of the program? (to include special objectives)
 - Is the project meeting its performance measures?
 - How is the quality of the grantee's performance?
- Administrative Progress
 - Is the project meeting its milestones?
 - Are the expenditures those on the current approved budget?
 - Is the cost matching accruing quarterly and is it the same match source as originally anticipated?
 - Are the reports and vouchers being submitted on a timely basis and correctly?

Instructor notes:

- Here are a few tips in regards to what we look for, when reviewing a PPR and things to take into consideration when developing your PPR.
- An accurate and well-prepared Quarterly Progress Report provides us with an excellent snapshot of your progress toward meeting the goals of the project.
- It doesn't have to be long at all, it just has to match up to what you said you would do.
- So for instance, how many safety inspections did you say you would do? 1000? If it is the third quarter then hopefully you have done roughly 750. And if not, then tell us why.
- If you said that you would reduce crashes, then what was your original crash data and what is it now?
- The purpose of the report is to show if you are moving forward with your project(s) in a manner consistent with what was described in the Grant Agreement. And if not, then why?
- Before starting your PPR pull out the original grant agreement/submission and look at your progress in comparison and then write to that status.
- We are looking to see whether the project is accomplishing the specific objectives noted in the original application? And is it programmatically compliant?
- If you are not making progress as expected, then we may want to work with you to eliminate obstacles to success and, if appropriate, schedule a site visit to more closely evaluate your work and your processes.
- Remember, the progress you describe in your PPR should map to the expenditures you record on your FFR. Which is a nice segue into our discussion regarding the SF-425.

Slide 25 Federal Financial Reports (SF-425)

- All grantees must submit an FFR (SF-425) per grant award, per quarter
- The FFR should be submitted at the same time or close to the submission of the PPR
- The FFR is a form that captures the obligations and disbursements that occurred during the grant period
- Its purpose is to provide FMCSA with an accurate picture of all obligations against the grant to date (not just the ones you have invoiced to date)

Instructor Notes:

- The SF-425 or Federal Financial Report (FFR) is a standard government wide form and every grantee is required to submit one every quarter. A requirement noted in the grant agreement.
- It is submitted quarterly, but is a cumulative document.
- This document may seem somewhat redundant to the SF-270 voucher submitted quarterly or monthly depending upon your billing practices, but it is not quite the same and captures slightly different information and is a key way in which the federal government keeps track of its obligations as well as its disbursements. The key difference is that it keeps FMCSA alert to the governments obligations not just its disbursements.
- There is a copy of the SF-425 in Appendix K on page 147 of your grantee manual.

Slide 26 Federal Financial Reports (SF-425), Cont.

- Consists of the following parts
 - Cover Information
 - Federal Cash
 - Federal Expenditures and Unobligated Balance
 - Recipient Share
 - Program Income – not completed
 - Indirect Expenses
- Signed and certified by grantee designated authorizing official

Instructor notes:

- We are now going to walk you through this form. This may seem simple, but the SF-425 has proven to be a very confusing form to everyone and so it is useful to carefully walk you through each line.
- You may want to turn to the form in your manual and follow along. Also note that there are instructions with the form that may also be handy as you walk through it.
- The Cover Information is straight forward, boxes 1-9
 - Box 1 – The Federal Agency would be DOT; The Organizational Element FMCSA; So the box should read DOT-FMCSA
 - Box 2 – the Federal Grant Identifier is the PO number assigned to grant agreement
 - Box 3 – the Recipient Organization is yourself
 - Box 6 – the Report Type is quarterly or final depending on the situation
 - Box 7 – Basis of Accounting; Virtually all governmental grantees should be accrual, there could be a few exceptions, but those should be extremely rare. If you don't know what accounting basis you have, ask your CFO; Non-profit and corporate grantees need to check with their accounting department to determine their basis
 - Box 8 – Project/Grant Period
 - From: is the date of the beginning of the project period on the grant agreement
 - To: is the ending date of the project period on the grant agreement or subsequent grant amendments
 - Box 9 – Reporting Period End should be one of the following:
 - First Quarter 12/31
 - Second Quarter 3/31
 - Third Quarter 6/30
 - Fourth Quarter 9/30
- Now we will go on to the other sections, which are a little less straight forward.

Slide 27 Section 10: Transactions

- Line 10 (a) Cash Receipts
 - Payments **RECEIVED** by the grantee from FMCSA for the grant
- Line 10 (b) Cash Disbursements
 - Grant expenditures
- Line 10 (c) Cash on Hand - equals Line 10 (a) minus Line 10 (b)
 - Amount on Line 10 (c) should be negative or zero

Instructor notes:

- Section 10: Transactions, the first segment of which is Federal cash.
- Federal cash is:
- Cash Receipts – which is the cumulative amount of funds **PAID** by FMCSA and **RECEIVED** by the grantee to date as of the end of the reporting period. If an invoice is submitted at the same time as this report, this amount will not match the invoice, because the invoice represents what amount has been invoiced, versus what has been paid within the reporting period.
- Cash Disbursements – is the cumulative amount invoiced to FMCSA. This should only be for the costs charged to the grant funds, not match. Remember Sections 10 a-c only refer to the federal part of the grant.
- Then Cash on Hand – is the cash receipts minus the cash disbursements.
- The Cash on Hand (Line c) should be zero if you have invoiced for all of your expenses. Or negative if you have items for which you have not invoiced yet.
- If Line 10 (c) is positive then there is problem, make sure all disbursements are included (have you been paid for everything you should have been paid for?) and that there are no duplicate receipts anywhere.

Slide 28 Section 10: Transactions Continued

Federal Expenditures:

- Total Federal Funds Authorized - Line 10 (d) – total amount of FMCSA award (federal funds)
- Federal Share of Expenditures - Line 10 (e) equals Line 10 (b)
- Federal Share of Un-liquidated Obligations/Undelivered order (UDO) – Line 10(f)
 - Equals Line 10 (c) plus any unpaid obligations (incurred costs not yet billed)

Instructor notes:

- The next portion of Section 10: Transactions, is Federal Expenditures.
- Line 10 (d) - Total Federal Funds authorized is the amount of your federal grant award from the most recent NGA
- Line 10 (e) – Federal Share of Expenditures - is equal to Line 10 (b) and then
- Line 10 (f) - Federal Share of Un-liquidated Obligations – is the amount that the grantee has obligated to a sub-grantee or vendor but has not yet billed/paid by FMCSA. This could be unpaid POs, outstanding contracts with sub-grantees that obligate a certain base payment.
 - Unliquidated obligations on a cash basis are obligations incurred, but not yet paid. On an accrual basis, they are obligations incurred, but for which an expenditure has not yet been recorded.
 - Remember this is the Federal portion (not match) of the unliquidated obligations. Those obligations include direct and indirect expenses incurred but not yet paid or charged to the award, including amounts due to subrecipients and contractors.
 - On your final FFR, this line should be zero unless there are extenuating circumstances for which FMCSA has made an exception.
 - This line is sort of a heads up to FMCSA, if the grant were to end today or funding stopped today, how much would the federal government owe its grantees. That is what this line is trying to capture.
- 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. This line is really exclusively for those commitments for which the federal government is really on the hook.

Slide 29 Section 10: Transactions Continued

Federal Unobligated Balances:

- Total Federal Share – Line 10(g) - The sum of federal share of expenditure – Line 10(e) and the federal share of UDO - Line 10(f)
- Unobligated Federal Balance – Line 10(h) equals Line 10(d) minus 10(g)

Instructor notes:

- Alright moving on to the Federal Unobligated Balances portion of Section 10
- Line 10(g) Total Federal Share – is the combination of the Federal Share of Expenditures and the Federal Share of Unliquidated Obligations (Lines 10 (e) and 10 (f))
- The Unobligated Balance of Federal Funds – Line 10 (h) - is the Total Federal Funds authorized minus the Total Federal Share (10 (d) minus 10 (g))
 - This amount should be positive or zero
 - If it is not, then check the following items:
 - Is the Indirect cost rate is correct?
 - Was the Indirect cost amount correct and not duplicated?
 - Are there Duplicated expenses?
 - Are Expenses showing in both billed and unbilled?

Slide 30 Section 10: Transactions Continued

Recipient Share:

- Total Recipient Share - Line 10 (i)
 - The Grantees agreed upon match per grant agreement
- Recipient Share of Expenditures Line 10 (j)
 - Total expenditures multiplied by the match percentage - Line 10 (i)
- Remaining Recipient Share – Line 10 (k) equals Line 10 (i) minus Line 10 (j)

Instructor notes:

- OK, we are getting to the end of Section 10, we are now in the Recipient Share portion of the form.
- Overall the Recipient Share section records, the cost share or match amount pledged in total, the amount "expended or credited to date" and the amount remaining as obligated to the grant.
- The Total Recipient Share - Line 10 (i) – is the portion of total project costs the grantee agreed to pay per the grant agreement
- Line 10(j) is the Recipient Share of Expenditures – this is the total expenditures multiplied by the grantee share stated in the grant agreement. For instance total expenditures multiplied by 20%.
- The Remaining Recipient Share - Line 10 (k) - The remaining recipient share is the total recipient share required minus recipient share of expenditures (Line 10 (i) minus 10(j))
- If this amount is negative, check the same items that you checked for the Federal Unobligated Balances section.
- Remember that the Recipient Share section is about match, not MOE. No MOE should be shown on the SF-425.

Slide 31 Section 10: Transactions Continued

Program Income:

- Total Federal Program Income – Line 10 (l)
 - Income generated by grant activities (such a system user fee)
 - Deductive Alternative – Line 10 (m) - deducts the amount of program revenue from the total program expenditures
- Unexpended Program Income – Line 10 (o) equals Line 10 (l) minus Line 10 (m)

Instructor notes:

- A majority of FMCSA grantees do not have Program Income, so this section will often zero. But there may be a few instances in which there will be program income if you sell videos or t-shirts or collect fees.
- In this case then all FMCSA grantees should use Line 10 (m) the deductive alternative and then skip line 10 (n) and go straight to Line 10 (o) - Unexpended Program Income - Line 10 (o) is line 10 (m) subtracted from line 10 (l).

Slide 32 Section 11: Indirect Costs

- Line 11 (a) (b) (c) - Based on the grantees Indirect Cost Rate Agreement (IDCA)
- Line 11 (d) should be the accumulated costs for that quarter per the base definition in the IDCA
- Line 11 (e) the amount charged is the Base (Line 11 d) multiplied by the Indirect Cost Rate in Line 11 (b)
- Line 11 (f) Federal Share (percentage) = Line 11 (e) multiplied by the federal share
- Line 11 (g) Totals – Lines 11 (d), (e) and (f)

Instructor notes:

- We are getting close to the end of the form instruction and we have made it through the more challenging part – Section 10.
- Now onto Section 11: Indirect Costs. The indirect cost section is where you put the percentage, base and rate - Line 11 boxes (a), (b), and (c) based on the grantee's certification from their cognizant agency. These three lines should be taken directly off your Indirect Cost Rate Agreement.
- Box 11 (d) should be the accumulated costs for the base for that period (using the base defined on your Indirect Cost Rate Agreement. So for instance, if the base is Salaries and Wages, then this would be the amount of salaries and wages charged during this period or quarter.
- Line 11 (e) is the base amount multiplied by the rate – or the Salaries and Wages for that period multiplied by 15% or whatever the IDCA rate states.
- Line (f) federal share is 11 (e) multiplied by the federal share stipulated in the grant agreement, such as 80% for MCSAP, 100% or 50%.
- Line 11 (g) is just the totals for Lines 11 (d), (e) and (f)
- Since the reports are based around the Federal Fiscal Year, but States and Locals often have different fiscal years, in the last quarter of the State Fiscal Year you may need to use two lines for indirect costs when there are different rates from one FY to the next, since there is a cumulative element to the SF-425. The different FY rates won't effect a specific quarter (or rarely), but will impact the cumulative results for indirect costs
- If you don't bill indirect costs Section 11 will be "0" and if the indirect costs are part of the match and no reimbursement is requested this section will also be "0".

Sections 12/13 – Remarks/Certification

- Section 12 – Remarks – Explanation if necessary
- Section 13- Signed and certified by grantee's authorizing official designated to sign quarterly reports

Instructor notes:

- For the final sections, they are self explanatory.
- Section 12 is a Remarks section in case you need to document comments or explain anomalies
- Section 13 is where you sign and certify that the report is accurate. This should be signed by someone within the organization with the authority to certify reports.
- Now you are done with the form, lets move onto a few tips regarding the SF-425.

Slide 34 Federal Financial Reports (SF-425) Tips

Key considerations:

- Is the rate of expenditure appropriate based on the project plan?
- Are there costs that weren't on the original budget?
- Are you using the correct indirect cost rate?
- Do the costs correlate to the vouchers?
- Have I completed the report fully to include signature?

It is very important to submit reports on time

Instructor notes:

- The FMCSA Grant Manager will review your SF-425's to determine if you are expending funds in accordance with the project. They will:
 - Look for excessive over- or under-expenditures
 - So for instance if you have expended 75% of your funds, but have only achieved 25% of your project goals or milestones – why is that?.
 - Likewise, if you have expended only 25% of your funds, but it is nearly year end and you have achieved almost all of their milestones and goals – why is that? What isn't matching up?
 - Validate whether or not cost sharing is evenly distributed. They should see an even distribution each quarter (or close to it)
 - Review Direct and Indirect Costs –
 - Are the Indirect costs reflective of the right base and rate?
 - If you are in the second year of a grant with a two year expenditure allowance have you used each years' correct indirect cost rate, since there is likely different rates by year?
 - They will make sure that it is the most current and accepted rate.
 - Look for timely submission of the report -- 30 days after the end of the quarter.
- You can look through the bullets on the slide and use them as a handy checklist when doing a quality control check on your FFR prior to submission.

Slide 35 Invoice/Voucher Submissions

Instructor notes:

Just as quarterly reports are a regular mandatory reporting requirement for all grantees, so is the submission of timely and accurate vouchers or reimbursement invoices.

Slide 36 Budget Requirements

- Invoices/Vouchers will be compared against the current approved budget (the original budget included on the NGA or an updated budget as result of an amendment to the NGA)
- The budget should be organized according to the SF-424 budget categories
- Grantees must update the budget submitted at original application to match the amount of grant award

Instructor notes:

- We are going to now move more toward the end of Chapter 6 in the grantee manual to Section 6.8. Also you may want to find the SF-270 form in Appendix K, page 144, so that you can follow along on the form.
- Vouchers can also be referred to as invoices or reimbursement requests, so consider all three references the same, but for the training we will use the term voucher.
- FMCSA will monitor vouchers against the current approved budget as approved in the original grant award or subsequent amendments, as appropriate. When amendments occur they may change the original grant budget, but any officially amended budget then becomes the current approved budget against which you will be monitored.
- As a result grantees should update their budgets to match to the final award amount and agreed upon activities and provide a copy to FMCSA. If you are not following your most current FMCSA approved budget, then you need to speak immediately to your Grant Manager, so that you can amend the budget on file with FMCSA and make sure that both you and FMCSA are working off the same grant budget.
- When reviewing vouchers FMCSA will use this budget to determine whether costs for reimbursement are allowed because only those costs in the current approved budget will be considered allowable.
- Costs not included in the budget approved by FMCSA in the grant award, (which is not necessarily the budget submitted at application), will not be reimbursed unless there was prior approval for that cost.

Slide 37 Budget Tracking

Instructor notes:

- We recommend that grantees track their budget in manner similar to, or the same as this sample budget tracking spreadsheet.
- The Division may request budget updates based on this or similar templates. This will not only keep both you and FMCSA on the same page but will expedite the processing and approval of your vouchers and make it easier to document your expenses.
- In addition, FMCSA has developed a slightly more detailed support documentation spreadsheet, which they recommend that you submit with your voucher. You may get a copy of this spreadsheet from your local FMCSA Grant Manager.
- You do not have to submit the FMCSA support documentation spreadsheet with your voucher, however you have to submit some form of spreadsheet which maps your expenses to the object class categories as well as to the original grant budget and the currently approved grant budget.
- If there are any budget adjustments of any kind you should provide sufficient documentation with your voucher to explain and justify the change.
- FMCSA requires sufficient documentation to approve vouchers, so if you have exceeded a budget category, or purchased something that wasn't on the current approved budget or moved funds from one budget category to another, we will want to know what and why and if there was any impact on the purpose of the grant or delivery of services.
- In addition, use of a budget tracker and support documentation spreadsheet will enable you and FMCSA to easily determine when there is a change of more than 10%, as well as identify unexpected budget activity – which may generate additional inquiry or monitoring or documentation
- Remember that if you go over the 10% without notification or make an unallowable purchase we may deny your claim and in instances where the reimbursement has already occurred may require a return of funds.

Slide 38 vouchers/Reimbursement Requests

- Must use the SF-270
- Complete the SF-270 on-line in iSupplier
- Attach supporting documents to the iSupplier submission
- Use the FMCSA Supporting Documentation Template for expedited processing
- **Submit at a minimum quarterly**

Instructor notes:

- FMCSA will be tracking the SF-270s to the budget, as approved and by cost category.
- **Quarterly voucher submissions are the minimum**, but FMCSA Grant Managers can request monthly vouchers if they desire and/or have a reason for this request (could be due to high risk, or past performance, or volume of expenditures, etc.)
 - If you are not currently submitting at a minimum quarterly vouchers, you are in violation of the Grant Award Terms and Conditions, which have contained this provision since at least FY10 and FMCSA is now more strenuously adhering to this requirement.
- FMCSA has now moved from the former FAA/ESC emailed voucher process, using a system called Markview, to on-line submission through the new FMCSA Financing System – iSupplier.
- The FMCSA Grant Manager has 20 days in which to approve or reject the voucher in iSupplier
- We will go over iSupplier briefly in subsequent slides, but there was separate training provided for iSupplier and contact your Grant Manager for more iSupplier training information.
- Grantees can send a "preview copy" to the FMCSA Grant Manager to respond to questions and head off any potential questions, but FMCSA will not completely review a "preliminary invoice" outside of iSupplier and definitely cannot submit the voucher on behalf of the grantee.
- In fact, FMCSA is trying to move away from this "preliminary voucher" approach and it should only be used by new grantees or those that are having vouchering problems and/or at the specific direction of the FMCSA Grant Manager.

Slide 39 Vouchers/Reimbursement Requests

- Costs not included in the current approved budget require prior approval
- Cost changes of more than 10% within the current approved budget require an amendment

Instructor notes:

- Items listed in the initially approved budget are considered approved and you may request reimbursement for those expenses.
- However, a budget revision amendment is needed when making any revision to the approved project budget that: (1) would require any transfer of funds between object class budget categories that result in a greater than 10 percent deviation of the total current approved budget; (2) involve expenditures for items or services not approved in the scope of the original project plan; (3) require additional funding.
- If the grantee requests a cost that is not included in the original (or current, if amendments have been previously approved) approved budget, such as the addition of an equipment purchase when none was originally planned, the grantee must request the change in writing and a formal amendment must be approved before incurring the cost, in general this practice should be avoided if possible, but can be allowed on an exception basis.
- Although changes within line items or across line items at 10% or under the total budget amount do not require a formal amendment or written approval from FMCSA, you should notify the Grant Manager so that the he/she has an opportunity to determine whether or not it is an allowable cost and/or has scope implications prior to incurring the expense. This is also reviewed further in the Amendment Module.
- So for instance if the total federal grant award value is \$500,000 and you want to move \$20,000 from commissioned officers to non-commissioned officers this is within a line item and is under 10% therefore it is allowable without FMCSA approval as long as there is no scope change. However, if you want to move \$20,000 from Personnel to Equipment to purchase a car and there was no car included in the current approved budget, even though this is under 10% because the equipment was never planned in the current approved budget it will need FMCSA approval.
- Just to be clear, the 10% of budget criteria applies to the total grant budget not on a transaction basis; i.e.,: it can be made in one change or several smaller changes, which add up to a total budget change of 10% of the total grant budget and over the life of the grant.
- The Grantee should maintain budget files that show the original budget and any subsequent approved budget changes so that both the Grantee and the FMCSA Grant Manager as needed can determine whether the overall budget modifications have exceeded the 10 percent of total approved budget at any point in time during the grant period of performance.

- The budget narrative and detailed budget provided by the grantee at the time of application helps FMCSA determine whether a line item change represents a scope change and/or an unallowable cost.
 - For instance if you want a car or to use contractor staff that wasn't in the original (or current approved) budget, then you are advised to speak with your Grant Manager so that they can help make that determination. (as long as it is under the 10%)
 - This helps FMCSA determine whether it is allowable before you have made the purchase and will need to seek reimbursement for an unallowable purchase.
- We will cover the 10% budget change process in more detail in the next Module.

Slide 40 iSupplier

- A new DOT web-based grant payment system which replaced Markview
- Implemented in the Summer of FY2012
- Grantees now submit vouchers electronically directly to iSupplier
- FMCSA Grant Managers will electronically review and approve vouchers in iSupplier
- Web-based training for grantees was provided and is available

Instructor notes:

- FMCSA has moved from Markview to iSupplier this past summer (2012)
- iSupplier is a DOT wide e-invoicing initiative
- The process hasn't changed much, just a new system. Now you fill out the SF-270 on-line instead of in paper and you submit your support documentation as an attachment to the on-line form.
- Then the FMCSA Grant Manager goes directly into the system to review your SF-270 and documentation and approve or disapprove the voucher.
- There should be fewer frustrations regarding email size and rejection and there is now more opportunity for more robust comments and feedback on any rejected vouchers.
- You should have received training on iSupplier this summer and if you did not, then contact your FMCSA Grant Manager for more information.

Slide 41 SF-270

- Federal Grant Identifier – Box 4 – PO number or grant agreement number
 - Must match exactly to a current grant agreement
- Recipient – Boxes 6, 7, 9 & 10 - FMCSA cannot pay a party unless on the original grant agreement – Must match
- Period Covered by Request – Box 8 – Must be within the POP

Instructor notes:

- Alright, now that we have given you some of the general overview regarding the voucher process and system in general, lets drill down into the SF-270 form in and of itself.
- Box 1 should always be checked as "reimbursement" and is either "partial", for all quarterly or monthly invoices, and "final" for the last one.
- Box 2 should be checked "accrual" unless your agency uses cash accounting (which is not the norm for most grantees and certainly most, if not, all state grantees)
- Box 3 is "DOT-FMCSA"
- Box 4 is the PO number. Incorrect PO numbers is the number 1 reason why payments are delayed. **Starting in FY 12 the PO numbers are found in Box 4 of the NGA and they have dashes in them.** It is critical for the dashes to be included when putting the PO number on the SF-270 in order for correct processing. Example: FM-MCG-0107-12-01-00. FM is FMCSA. MCG is the GS code for MCSAP Basic. 0107 is the number assigned to the grant by GS (assigned in order of processing). 12 is FY2012. The PO numbers were in Box 16 and or 23 of the FY11 NGA's, but they are now in Box 4 from here on out.
- Box 5 is just the voucher number. Try to keep these in correct consecutive order so that the records are accurate and easier to follow.
- Boxes, 6, 7, 9 & 10 must match the grant agreement completely , in terms of the grant recipient information. If it does not, then FMCSA must reject the voucher.
 - It is important to use the correct recipient - Sometimes the agency that originally signed the grant agreement is no longer responsible for the grant work. When this happens:
 - An amendment must be done to change the grant recipient name and information and the amendment should be signed by both the old and new grantee
 - A new ACH forms must be submitted
 - FMCSA cannot pay a new responsible party until both these actions take place
- Box 8 is the period for which the grantee is requesting reimbursement. Usually this is the quarter, such as January 1-March 31, etc.
 - FMCSA will check:
 - Whether the period falls within the performance period of the grant?

- Do the expenses being billed fall within the reimbursable period?
- Is this a “catch-up voucher” – if it is a "catch-up" voucher (a voucher that bills for expenses from a prior period that were left off the bill for that period) it should be labeled as such and not co-mingled with the next month or quarter's costs.
- That the expenses are not duplicated on another bill.

Slide 42 SF-270, Continued

- Computation of Amount of Reimbursements – Box 11
- Total Program Outlays - Line 11(a) – the total amount of project cost incurred cumulatively to the end date in Box 8
- Program Income – Line 11 (b) – deduct any revenue from grant activities
- Non-Federal Share – Line 11(f) – Total Program Outlays (Line 11a) multiplied by the grantee's share (i.e., 20%, 0% or 50%)

Instructor notes:

- Box 11 is where you will compute the Amount you want to be reimbursed. You should only use column (a)
- Box 11 (a) - Total Program Outlays consists of the total amount the project cost incurred up to the end of the period of performance noted. (this is federal and non-federal)
- Program income or Line 11(b) is any income generated by grant activities (such as sale of videos or t-shirts) or refunds and rebates related to purchases made with grant funds and this should be subtracted on this line. It is unlikely that you will complete 11(b) very often, but when Program Income does occur it should be subtracted here.
- Line 11 (d), which is Advances is not used by FMCSA.
- Line 11 (f) is the Non-federal share or the grantee's share of project outlays and should be the total project outlays multiplied by the grantee's share agreed to in the grant amendment. This should be shown evenly on every invoice -- not all saved up for the last invoice. For example: if the total project outlays for that period is \$100,000 then the non-federal share on the invoice should be \$20,000, if it is for a program with a 20% match.
- If the program has no match requirement this will be \$0.

Slide 43 SF-270, Continued

- Computation of Amount of Reimbursements, Cont. – Box 11
- Federal Share – Line 11 (g) – Total Program Outlays (Line 11a) multiplied by the federal share (i.e., 80%, 100% or 50%)
- Previous Federal Payments – Line 11 (h) – is the total of all payments requested to date from FMCSA

Instructor notes:

- Line (g) is the Federal Share of Project Outlays which is the Total Project Outlays multiplied by the federal share agreed to in the grant agreement. So for instance if the total project outlays are \$100,000 and it is an 80/20 program, then the Federal Share will be \$80,000.
- The amount of the payments previously requested is on Line 11 h. The total of all previous vouchers.
- Line 11(i) is the amount of federal payment requested in this voucher which is the total federal share less the amount previously requested (Line 11g minus 11h)
- FMCSA grantees shouldn't use Lines 11j or any of Box 12.
- And be sure in Line 13 that it is signed and certified by the authorizing official in your organization who is designated to sign and submit invoices.

Slide 44 Voucher Documentation

- Vouchers must include sufficient documentation and records to back up expenses
- Must include a spreadsheet that shows expenses aligned to the original budget and the current approved budget by budget category
- The FMCSA Grant Manager may request and grantees must be able to produce immediately upon request any of the following:
 - Hours by person with labor rates noted, or print-outs from timekeeping system, copies of timesheets as needed
 - Contractor or sub-grantee receipts or records

Instructor notes:

- When the Grant Manager approves a voucher they are certifying that everything on the voucher is correct and allowable, and they are taking on the "burden of proof" at that point. As a result FMCSA is requiring more due diligence on voucher back up and documentation than was previously the case in some places.
- FMCSA has developed a recommended spreadsheet for all voucher submissions that helps break down the expenditures by budget category and we recommend that you use this spreadsheet, however if you prefer to use your own spreadsheet you may do so, as long as it contains the necessary information, aligned to the SF-424a budget categories and the original and current approved budgets.
- Your FMCSA Grant Manager can provide you with a copy of the recommended spreadsheet and instructions.
- Also, over the course of the year, your FMCSA Grant Manager will be auditing vouchers on a periodic basis to verify that the support documents are on file and are readily available at any time. The testing patterns are at the discretion of the FMCSA Grant Manager, although there are minimum testing/sampling requirements, however those can be increased as needed.
- Although the timesheets are not necessarily required with each invoice, the Grant Manager may request them at any time, particularly to validate unique or unusual personnel or hours listed, such as for overtime, etc.
- As noted on the slide, FMCSA Grant Managers may request or test on-site at the grantee any of the following bullets on this slide and the next, but these do not necessarily have to be submitted with the voucher unless specifically requested by your FMCSA Grant Manager.
 - So for instance, timesheets are at the discretion of the Grant Manager, who may not find that necessary based on their existing knowledge of labor hours by staff member and the general tasks of that staff member. Although they may request a spreadsheet with staff and hours, it is at their discretion.
 - Validation of your work on the specific program may be based upon the program results and/or observation or other means deemed appropriate by the Grant Manager

- Timesheets however, will most likely be reviewed on any audit or voucher testing.
- Likewise, with contractor or sub-grantee receipts and records. They are not necessarily required at time of invoice, although if it is a new sub-grantee or contractor, they may be requested at the outset. But these records will definitely be reviewed in most voucher testing or auditing.

Slide 45 Voucher Documentation, Cont

- The Grant Manager may request and grantees must be able to produce immediately upon request any of the following:
 - Signed travel report summary by employee showing, expenses by category, hotel, air, ground transportation, per diem, etc.
 - Travel receipts for a direct reimbursement travel policy, or as requested
 - Documentation of the travel policy (federal or otherwise – this would be a one-time submission)
 - Receipts for equipment purchases over \$5,000
 - Receipts or records from "Other" expenses

Instructor notes:

- Travel receipts are only required for non-per diem travel, unless the grantee travel policy is direct reimbursement.
- If it is per diem, then an accounting of the travel based upon a travel report summary will suffice in most cases.
 - Receipts (for travel) will be sampled/reviewed when on-site as a further validation if they were not provided with the voucher in the case of per diem travel.
 - Again, FMCSA may periodically request travel backup as part of the voucher, just to review that basic travel procedures are being followed, but are not likely to always require their submission.
 - Travel back up will however be part of any voucher testing protocol.
- Equipment is defined at the federal level at \$5,000 value per unit or more or the state definition, if different. Receipts for "equipment" must be available for review at any time and FMCSA may require their submission with the voucher for larger equipment items or even every equipment purchase, at their discretion.
- As you may note, the only firm required support documentation that must be included with every voucher is a spreadsheet which maps the expenses to the budget categories, however, your FMCSA Grant Manager has the discretion to ask for any and all support documentation with a voucher and may do so.
- Likewise, all grantees vouchers will be tested and audited to some degree throughout the year to validate expenses incurred and reimbursements rendered. The sampling of vouchers and all necessary support documentation can be required by request at anytime.

Slide 46 Common Voucher Problems

- Costs weren't actually incurred
- Costs were incurred for purposes other than intended (out of scope)
- Costs incurred outside the grant period
- Not adequately documented
- Not in the approved budget

Instructor notes:

- To finish up, here are some tips for why vouchers may be rejected, so avoiding these circumstances will help secure voucher approval and timely payment.
- Generally speaking, if the voucher costs are in line with the current approved budget, they are considered allowable. However, disallowance of funds can happen at the voucher level or following the final audit depending upon the findings. That could mean FMCSA has to reclaim the cost, but the hope is that will not occur very often.
- Disallowance hopefully shouldn't happen often, but occurs most frequently when the grantee purchases something that wasn't originally in the budget without obtaining prior approval – it could be an allowable cost and within scope, but without that prior approval it is much less likely to be reimbursed and that is a risk you take if you don't get that approval upfront – FMCSA is not obligated to reimburse for a cost that is now allowable.
- FMCSA Grant Managers may disallow, one specific item on a voucher or the entire voucher at large.
- Ensure all expenses take place during the period of performance for the grant
- Assure that the amount on your supporting documentation matches the amount being requested on the SF-270
- Grant Managers may disallow, one specific item on a voucher or the entire voucher at large.

Slide 47 Common Voucher Problems, Cont.

- In correct indirect cost rate used, or wrong base
- Not properly matched by local funds, if required
- Change in grantee conducting the work and name and EIN no longer match
- Incorrect PO used
- Mathematical error

Instructor notes:

- FMCSA is going to look for the following:
 - Costs that are allowable, reasonable and necessary, and allocable
 - Did you buy a car that wasn't on the original budget?
 - Are there labor hours that weren't part of the original budget?
 - Are there contractor costs not on the budget?
 - Expenses are reasonable given the nature of the project – no inspection equipment if no inspections.
 - Capital expenses are reasonable, based upon the market value;
 - Travel meets the federal travel standards; and
 - To see if the costs make sense given the work accomplished that quarter?
 - So for instance if you have accomplished 1000 inspections, but have very few labor hours for inspectors, FMCSA may question that situation
 - Or conversely you have a lot of inspector hours and very few inspections accomplished.
 - Cost Sharing – FMSCA will validate whether or not cost sharing is evenly distributed across the grant on each voucher - in accordance with the distribution laid out in the application/budget if that applies or distributed in a manner appropriate to the costs – Make sure you allocate match as you do.
- We will review your indirect costs to make sure they reflect the right base and rate. If you are in the second year of a grant that has a two year expenditure allowance remember you may need to use a different indirect cost rate than used in the first year. Make sure that it is the most current and accepted rate.
- And be sure to get the PO number correct with the dashes
- This isn't an all-inclusive list, but a helpful cross check list as you review your own voucher prior to submission.

Slide 48 Wrap-Up and Knowledge Check

Instructor notes:
(Transition slide)

Slide 49 Summary

- Now that you have completed this module, you should be able to:
 - Explain the key elements of the following tasks in the post-award process
 - Establish Grant Files
 - External Reporting
 - Quarterly Performance Progress Reports (PPR)
 - Quarterly Financial Reports (FFR/SF-425)
 - Vouchers/Invoice Reimbursement (SF-270)

Instructor notes:

- Now that you have completed this section, you should understand:
 - Some of the key quarterly reporting requirements in the post-award grant process to include:
 - Your record retention requirements and timing
 - Your obligations under FFATA
 - FMCSA expectations regarding quarterly report submission and the content of the PPRs and FFRs
 - How to complete an SF-425 (FFR)
 - The basic requirements around submission of vouchers and the supporting documentation; and,
 - How to complete an SF-270
- Attached at this link is a Knowledge Check, feel free to take this “quiz” and then check your answers to determine how well you understood and synthesized this information. The answers can then be found at the link listed at the bottom of the slide.

Slide 50 Check Your Knowledge

- Module 6 Knowledge Check
- Module 6 Knowledge Check Answers