



King County
Administrative Policies and Procedures

Executive Policies

King County

Title	Document Code No.
Accounting, Reporting, and Management of Grants and Other Financial Assistance	FIN 16-1 (AEP) <i>RW</i>
Department/Issuing Agency	Date
DES / FBOD / Financial Management	8/1/2012
Approved	
Dow Constantine	<i>Dow Constantine</i>

- 1.0 SUBJECT TITLE: Accounting, Reporting, and Management of Grants and Other Financial Assistance
 - 1.1 EFFECTIVE DATE: 10 days after approval
 - 1.2 TYPE OF ACTION: New
 - 1.3 KEY WORDS: Grants and other financial assistance, Pass-through grants, Reimbursement grants, Advanced grants, Schedule of Expenditures of Federal Awards (SEFA), Grants Manual
- 2.0 PURPOSE: To formalize policies and procedures for accounting, reporting, and managing federal and state grants and other financial assistance.
- 3.0 ORGANIZATIONS AFFECTED: All King County government agencies that receive federal and state financial assistance; Office of Performance, Strategy and Budget (OPSB); Finance & Business Operations Division (FBOD)
- 4.0 REFERENCES:
 - 4.1 Governmental Accounting Standards Board (GASB) Statement 33 – “Accounting and Financial Reporting for Non-exchange Transactions”
 - 4.2 GASB Statement 24 – “Accounting and Financial Reporting for Certain Grants and Other Financial Assistance”
 - 4.3 Grants Financial Administration Manual (Grants Manual Chapter 5) – procedures manual published by Grants Administration Unit, Financial Management Section.
 - 4.4 Budgeting, Accounting and Reporting System (BARS), 2010 – State of Washington
 - 4.5 Federal Grant Laws and Regulations are listed in Appendix 9.1.

4.6 Capital Asset Accounting and Financial Reporting – Executive Policies and Procedures
FIN 12-2 (AEP.)

5.0 DEFINITIONS:

Definitions are provided in Appendix 9.2

6.0 POLICIES:

Applicability

- 6.1 This policy provides guidance on the accounting, reporting and management of grants and other financial assistance with emphasis on awards from federal and state agencies. Other financial assistance typically include cost reimbursement contracts, cooperative agreements, direct appropriations, loan guaranty programs, non-cash assistance, interest rate subsidies, and insurance agreements. Hereinafter, grants and other financial assistance will be collectively referred to as “grants.”
- 6.2 This policy shall be used in conjunction with the Grants Financial Administration Procedures Manual (Grants Manual) that will be separately issued by the Grants Financial Administration Unit of FBOD-Financial Management (FMS). The Grants Manual consists of administrative procedures related to grants management, compliance, monitoring, grantor reporting, accounting, and audits that will assist agencies in complying with this policy. The Grants Manual is a joint effort by FBOD and County agencies’ financial and programmatic grants staff. Copies of the Grants Manual is available from the Grants Financial Administration Unit-FMS, 500 Fourth Avenue Rm. 653 Seattle WA 98104.

Revenue recognition guidelines

- 6.3 Recognition of grant revenue is required unless the revenue is not measurable or not probable of collection. Substance over form shall be used when determining the applicability of this policy to other similar receipts.
- 6.4 Grants revenue shall be recognized in the period when all applicable eligibility requirements, including time requirements, have been met. Under the modified accrual basis, the resources should be both measurable and available where available means collectible in the current period or soon enough thereafter to pay liabilities of the current period. The County’s availability criterion is 60 days from year-end.
- 6.5 Where cash or other resources are received before eligibility requirements are met the resources received in advance shall be accounted for as deferred revenue. If, a grantor stipulates a time requirement or a contingency before the advanced resources can be accessed, but allows the grantee to benefit from the possessory rights to the resources, the recipient should recognize revenue at the point of receipt provided all eligibility requirements have been met.
- 6.6 When a grantor does not specify time requirements for use of the grant, the County agency shall recognize the entire grant amount as revenue when all applicable eligibility

requirements are met. A receivable and revenue (net of estimated uncollectible amounts) shall be recorded during the applicable period. Where the grantor has a biennial budget process each biennium year shall be considered a separate applicable year for purposes of prorating recognition of the entire grant award.

- 6.7 With reimbursement grants, County agencies shall accrue grant revenues only after allowable costs have been incurred. The accrual of revenue will normally occur when the grantor is billed. Allowable costs that are unbilled as of yearend must be recognized as revenue as a yearend adjustment. Allowable costs are considered incurred if already paid out or susceptible to accrual at yearend (i.e. goods or services have been received).
- 6.8 Cash advances are sometimes received by grantees to cover start-up costs on a grant eligible project. Where the contract terms indicate that this cash advance shall be repaid back, it should be recognized as a liability upon receipt.

Pass-through grants

- 6.9 All pass-through grants to the County should be reported in its financial statements. Grant activities should be accounted for as revenues or expenditures in governmental or proprietary funds as appropriate. If a County agency only serves as a cash conduit (where the agency has no administrative or direct financial involvement with the grant), a fiduciary-type agency fund must be used.
- 6.10 County agencies shall capture, track, and report total pass-through funds to other organizations by federal program or CFDA number. Pass-through grants to sub-recipients shall be reported as operating expenses, even if the sub-recipient uses the funds for capital purposes.
- 6.11 A program grant that involves multiple County agencies shall be centrally administered by the assigned lead agency; revenues and expenditures shall be reported in the lead agency's cost center, unless an alternative allocation method has been developed, tested and approved by the Chief Accountant.

Grant refunds and disallowed costs

- 6.12 When the grant award period has ended and there is unspent proceeds from an advanced grant, funds must be returned to the grantor in a timely manner unless another disposition method is specified under the grant agreement.
- 6.13 When a previously satisfied eligibility requirement or purpose restriction that had already resulted in recognition of grant revenue is violated, and it becomes probable that the grantor will not provide or will require the recipient to return all or part of the resources, the recipient shall recognize a decrease in receivables, or increase in liabilities, and an expense for the amount to be cancelled or returned.
- 6.14 Costs disallowed by the grantor or found ineligible for grant reimbursement through internal review or other means, shall be moved to the agency's non-federal source of funding or another grant that can absorb the costs as soon as possible during the year of determination of ineligibility. If disallowance of the cost is probable and the amount is reasonably estimable, then the adjustment should be made as soon as possible in the

current reporting year. If the disallowed cost was recognized as revenue during the current year then revenue must be reduced by the amount of cost disallowed.

In-kind assistance

- 6.15 When grants consist of in-kind donations (e.g. food stamps, pharmaceuticals, etc) and no county resources are used, a revenue (and corresponding expenditure) equivalent to the fair market value of the commodity (or the assessed value provided by the grantor) should be recognized and reported in the financial system.
- 6.16 The value of noncash awards should be reported on the SEFA and SESA reports (Section 6.40), with notes disclosing the nature of the amounts.

Capital assets

- 6.17 Capital assets acquired by the County using grant funds become property of the County and assigned to an agency authorized under the grant program. The County shall account for grant-funded capital assets in accordance with capital assets policies and procedures issued by FBOD-FMS.
- 6.18 The following information shall be maintained in the Oracle EBS Assets system for capital assets acquired using grant funds (see Executive Policy FIN 12-2 (AEP): Capital Asset Accounting and Financial Reporting.
- a) description of the property
 - b) serial number or other identifying number
 - c) source of the property
 - d) who holds title
 - e) acquisition date, date placed in service and asset cost
 - f) percentage of federal participation in the cost of the property
 - g) location, use, and condition
 - h) ultimate disposition data including disposal date and sales price
- 6.19 Grant capital assets shall only be used for purposes authorized under the grant or program. Any diversion for other purposes requires approval by the grantor agency.
- 6.20 Disposition of grant-funded capital assets shall be in accordance with the grant agreement. If the agreement is silent the general rule is that the grantor must be notified of the disposition. and the grantee is required to reimburse the federal government the fair market value of federally funded equipment when it is sold or converted to other uses if the fair market value is above the threshold specified in OMB Circular A-102, Section .32e (currently at \$5,000).

Compliance with grantor requirements

- 6.21 Priority compliance areas that grant recipients and/or sub recipients are legally required to satisfy are given in Appendix 9.2. County agencies shall comply with all the applicable requirements under these areas.
- 6.22 County agencies shall also comply with other applicable requirements of OMB Circular A-102 Common Rule that are not listed in Appendix 9.2. It is the agency's responsibility to know about all specific requirements under the existing federal laws

and regulations, and any other special requirements and conditions stipulated under individual grant agreements.

Internal control

- 6.23 The County shall develop, document, and maintain internal controls around the handling of grant resources with emphasis on the priority compliance areas listed in Appendix 9.3.
- 6.24 Centralized internal control policies and procedures related to grants shall be developed by FBOD-FMS where central financial systems are employed. County agencies shall develop supplemental in-house internal control policies and procedures if necessary for special grant situations. Specific guidance on establishing internal controls over compliance with grant requirements may be found in "OMB Circular A-133 Compliance Supplement Part 6 – Internal Controls".

Oracle EBS Grant Tracking

- 6.25 The County shall establish financial management systems that comply with standards set by OMB Circular A-102 Common Rule for the uniform administration of grants. The financial system shall provide for separate tracking of multiple grant funding sources with respect to budgets, revenues, and authorized expenditures and capture local share of costs and program income.
- 6.26 All grants shall be set up as awards in Oracle EBS Grants Accounting. These awards will fund sponsored projects. All grant billing will be initiated out of the Grants Accounting Module and grant payments will be applied to the related Oracle EBS Receivables Module invoice using a standard receipt.
- 6.27 County agencies shall coordinate with FBOD-FMS to set-up the required grant award and project cost tracking hierarchy, create billing and invoicing interfaces to Accounts Receivable, and set-up the general ledger account combinations to meet all budgeting, control, accounting, and reporting requirements.
- 6.28 Grant awards and programs should be accounted for within an agency's non-grant funded source if assistance is specific to the agency. The Miscellaneous Grants fund is normally used by governmental-type agencies to account the grant activity of general fund departments. Enterprise agencies/funds have federal and state grant funds supporting their operating and capital projects.

Audit process

- 6.29 The County shall comply with the audit requirements contained in the Single Audit Act Amendments of 1996 and revised OMB Circular A-133, and the OMB Circular Supplement Audit process.

Allowable costs

- 6.30 Where grants specify a period of availability, only costs incurred during the period and any pre-award costs authorized by the grantor may be charged to the grant. Federal regulations also require that payments for the goods or services incurred within the

period to be made no later than 90 days after the period ends. A written authorization should always be secured for period extensions authorized by the grantor.

- 6.31 County agencies shall follow the principles and standards set in 2 CFR 225 Allowable costs (OMB Circular A-87) in determining allowable costs under federal financial assistance awards. In addition where the County is a pass-through entity, it should follow the cost principles of 2 CFR Parts 215 and 220 (OMB Circular A-21) when the sub recipient being reimbursed is an educational institution or OMB Circular A-122 when the sub recipient is a non-profit organization.
- 6.32 Program managers shall ensure that indirect costs that are charged to grants for employer paid benefits, overhead, and miscellaneous charges are allocated in a fair and consistent manner using reasonable and verifiable allocation bases.
- 6.33 Salaries and wages charged to grants shall be supported by detailed time and effort documentation and shall be recorded timely in the appropriate grant reporting period. Alternative methods, such as semi-annual certification are also acceptable, as provided for in the federal regulations. Allocation of paid time-off amounts shall be calculated using a consistent basis with the results of the allocation periodically reviewed by management.
- 6.34 Grant program and finance managers shall ensure that the same costs in a grant-funded project are charged consistently, as either direct or indirect costs.
- 6.35 Where a grant requires matching funds, the County shall make use only of eligible resources as stipulated under federal or state rules or the grant agreement. The source and the amounts incurred and claimed as matching costs shall be fully documented.

Indirect Cost Determination

- 6.36 The County and federal government recognize indirect costs as legitimate grant expenses and shall avail of all opportunities provided under general rules and specific grant awards to recover them.
- 6.37 County agencies shall use indirect cost rates developed under the countywide central services cost allocation and departmental indirect cost allocation plans as a means of equitably recovering indirect costs from both federal and non-federal grant programs.

Grant reporting

- 6.38 The County shall report all expenditures/expenses incurred and charged to federal and state grants (direct or indirect) annually in the Schedule of Expenditures of Federal Awards (SEFA) and Schedule of Expenditures of State Awards (SESA) as part of either the Single Audit and/or State BARS reporting.
 - a) The SEFA and SESA shall be prepared using the GAAP basis of accounting.
 - b) Special procedures for reporting expenditures funded under American Recovery and Reinvestment Act (ARRA) shall be followed as required under applicable OMB circulars and State BARS.
 - c) General instructions for SEFA are provided in the governing circular. Specific instructions are provided and explained in the Grants Manual.

- 6.39 County agencies shall prepare and submit in a timely manner all required and applicable reports under OMB Circular A-133.
- 6.40 County agencies shall prepare and submit in a timely manner all required and applicable reports under grantor-specific regulations to the grantor or, if a sub recipient, to the pass-through County agency.

Agency staff training

- 6.41 All program staff must attend the federal grants compliance training sessions offered by FBOD-FMS Grants Financial Administration Unit in accordance with this policy.

Annual financial reporting

- 6.42 County agencies shall ensure that all accruals of grant revenues and deferrals of grant receipts are recorded in the general ledger when appropriate at yearend.
- 6.43 Grant revenues specifically restricted to a program(s) shall be classified as program revenues, otherwise, as general revenues. Multi-purpose grants should be reported as program revenues if the amounts restricted to each program are specifically identified in either the award or the financial assistance application.

7.0 PROCEDURES:

Action By: County Agencies Grants Program Managers with grant-funded projects

Action:

- 7.1 Manage all grant awards and programs in accordance with procedures outlined in the Grants Manual.
- 7.2 Coordinate with PSB-Budget Office on a) the processing and approval of grant alerts and subsequent inclusion of grant projects in the annual budget; b) provision of supplemental appropriation for unanticipated grants.
- 7.3 Follow financial transaction control procedures for tracking grant awards in Oracle EBS. All awards are recorded as Oracle EBS Awards.
- 7.4 Follow financial transaction control procedures for project tracking of grant eligible expenditures. All grant projects are created as "sponsored" projects in Oracle EBS.
- 7.5 Ensure proper recording of grant revenues and receivables in the general ledger following recognition guidelines in this policy and Chapter 5 of the Grants Manual. Accrual of grant receivables and grantor billing should be done monthly (or at least quarterly).
- 7.6 Agencies shall use the Oracle EBS Grants Billing Process for Grants.
 - 7.6.1 Agencies may use either cost based or event based billing for this purpose.
 - 7.6.2 This process sets up a receivable and creates an invoice in the Accounts Receivable module.

- 7.6.3 Agencies may use the EBS generated invoice for billing whenever practical. If required by the grantor, the agency may use a special manual invoice or online invoice submission. In these cases, the system generated invoice is not printed.
- 7.6.4 Agencies shall direct the grantor to remit payments to Central AR. All payments will be processed by Central AR as a standard receipt.
- 7.7 Periodically monitor grant revenues and receivables to ensure that grant awards are fully utilized and reimbursements are being billed and received.
- 7.8 For grant programs involving multiple County departments:
 - 7.8.1 In the lead agency, ensure that eligible expenditures/expenses of other agencies are reimbursed timely from the lead agency project. Review all documentation to determine eligibility of other agency reimbursable costs;
 - 7.8.2 In the secondary agencies, submit required documentation timely for expenditures/expenses due for reimbursement to the lead agency. If documentation is not available, estimates are acceptable.
- 7.9 Track capital assets funded by grants. Grant-funded capital assets should be
 - a) Recorded in the County capital assets system;
 - b) Used only for authorized purposes;
 - c) Properly maintained; and
 - d) Disposed of according to grant award terms or general federal requirements.
- 7.10 Monitor the monthly or quarterly reporting of grant expenditures and supporting documentation from project managers.
- 7.11 Prepare and submit accurate, complete, reviewed and approved grantor agency reports in a timely manner.
- 7.12 Assist FMS Grants Financial Officer during site visits for grant compliance.
- 7.13 Coordinate with FBOD-FMS each yearend over the preparation of the SEFA and SESA and in the conduct of the annual Single Audit.
- 7.14 Maintain all records that adequately identify the sources and uses of funds provided by federal and state awards - awarding documents, financial records, program records, and federally funded assets over \$5 thousand and small and attractive assets. Records retention should be in accordance with award requirements.
- 7.15 Obtain grant information from the appropriate Assets or Grants Discoverer Reports.
- 7.16 Attend training as required.

Action By: FBOD-FMS-Grants Financial Officer or designee

Action:

- 7.17 Provide support, guidance and direction to County agencies to assist them in the administration, accounting, and reporting of grants.

- 7.18 Develop/update Grant Financial Administration Manual and other countywide policies and procedures related to grants administration and accounting.
- 7.19 Provide training and guidance to agency staff on compliance with federal and statutory requirements for federal and state grants.
- 7.20 Perform site visits of agencies that received federal grants to determine compliance with general internal control and compliance requirements.
- 7.21 Coordinate preparation of SEFA and SESA reports each yearend.
- 7.22 Arrange and coordinate Single Audit entrance and exit conferences with departments, contact information and planning activities.
- 7.23 Assist agencies with the review and development of Single Audit finding responses to the State Auditor's Office.

Action By: FBOD-FMS-Accounting Systems, Functional Analyst

Action:

- 7.24 Assist agencies in establishing burden rates, non-labor resources, funding patterns and other project and/or award data in Oracle EBS Projects and Grants.
- 7.25 Ensure that County agencies have access to periodic project activity and other tracking reports from the Oracle EBS Financial System.

Action By: FBOD-FMS-Financial Accounting, Fund Accountants

Action:

- 7.26 Advise agencies on the proper recording of grant transactions.
- 7.27 Advise agencies on the assignment of BARS codes to grant revenue accounts in the general ledger.
- 7.28 Review and approve journal entries submitted by County agencies involving accrual of grant reimbursements.
- 7.29 Prepare and update amortization schedules and book related entries for financial assistance in the form of long-term loans (i.e., State loans).
- 7.30 Review county agency SEFA and SESA reports for agreement with county accounting records.
- 7.31 Each year review grant activity and related account balances in governmental and proprietary funds to determine reasonableness of reported amounts based on trend and expected activity.

Action By: FBOD-FMS Capital Assets Accountant

Action:

- 7.32 Ensure that grant information fields in the capital assets system are being kept current, complete and accurate by the appropriate County agencies in conjunction with Assets Accounting and Fleet Personal Property personnel.

Action By: PSB-Budget, Budget Analyst

Action:

- 7.33 Review and recommend approval of agency grant requests and proposed grant budget.
- 7.33 Provide contingency budgets to cover unanticipated grants during the budget year. Review and take action as necessary to correct budget deficits in grant funds.

8.0 RESPONSIBILITIES:

8.1 County Agencies

- 8.1.1 Development of internal control systems to ensure proper accounting and compliance with grantor record-keeping and reporting requirements.
- 8.1.2 Awareness of all requirements under federal and state laws and regulations, and specific provisions of contracts or grant agreements.
- 8.1.3 Attend FMS-GFA Unit's compliance requirements training sessions regularly.
- 8.1.4 Familiarization and compliance by all staff involved with grants with the Grants Manual and this policy.
- 8.1.5 Internal monitoring by program managers over grant utilization and the grant reimbursement process. This includes monitoring of sub recipients for reimbursements and compliance with grant requirements.
- 8.1.6 Assurance that all grantor billings submitted are accurate, authorized, and adequately documented.
- 8.1.7 Full compliance with all grant activity and status reporting requirements by grantor agencies.
- 8.1.8 Ensure that grant funds are spent within the period of availability stated under the grant agreement.
- 8.1.9 Coordination with FMS and PSB to ensure that appropriate accounting and budget control hierarchies are established for new grant awards or programs.
- 8.1.10 Establishment of a sponsored project and an award record in Oracle EBS Grants Accounting Module for each grant received. Utilization of the Oracle EBS Grants Accounting Module for billing all grantors.
- 8.1.11 Ensure that all audit findings are addressed and responses are developed, documented, and communicated timely to the auditors. Measures should be promptly instituted and followed-up on to prevent future recurrence of questioned activity.

8.1.12 Conduct assessment of agency progress on corrective action plans on a semi-annual basis. Report progress to Executive Audit Committee, as requested.

8.1.13 Ensure that grant capital assets are adequately tracked in the central capital assets system and that all grantor-required information is provided.

8.2 FBOD-Financial Management Section

8.2.1 Develop policies and procedures for accounting and financial reporting of grant activities and review and update as necessary.

8.2.2 Ensure that grant capital assets are adequately tracked in the central capital assets system and that all grantor-required information is provided.

8.2.3 Ensure that grant activities are accounted for and reported in accordance with this policy.

8.2.4 Prepare and file the State Auditor BARS reports which include the schedule of expenditures of federal and state financial assistance/awards.

8.2.5 Ensure that all audit findings are communicated to responsible agencies. Responsible agencies should institute timely measures to prevent future recurrence of questioned activity. FMS will periodically review progress on agency action plans.

8.3 PSB-Budget

8.3.1 Provide appropriation and budgetary tracking for agencies' grant programs.

8.3.2 Review and approve agency's plan for securing grant funds through the grant alert process.

8.3.3 Provide front funding budgets for agency programs that use reimbursement grants. Ensure that budget deficits in grant funds are corrected timely.

9.0 APPENDICES:

9.1 List of Major Federal Grant Laws and Regulations

9.1.1 2 CFR 225 (OMB Circular A-87), Cost Principles for State, Local and Indian Tribal Government

9.1.2 2CFR220 (formerly OMB Circular A-21) Cost Principles or Higher Education

9.1.3 OMB Circular A-102 Common Rule, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government

9.1.4 48 CFR 31.2 Profit making organization

9.1.5 Cost Principles of Awarding Agency 45CFR74 (App E) 23 - Hospitals

9.1.6 2CFR230 (formerly OMB Circular A-122) Cost Principles for Non-profit Organizations

9.1.7 OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations

9.1.8 OMB Circular A-133 Compliance Supplement

9.2 Definitions of Grant Terms and Concepts

- 9.2.1 “Accrual basis”: Method of accounting that recognizes the financial effect of transactions (revenues and expenditures), events, and inter-fund activities when they occur, regardless of the timing of related cash flows
- 9.2.2 “Advance grants”: Type of grant where resources are received from a grantor before incurring eligible costs (e.g. fixed cost grants).
- 9.2.3 “BARS Report”: Annual financial report for local governments prepared under the Washington State Budgeting, Accounting and Reporting System (BARS) guidelines and legally required to be submitted to the State each year. Schedule 16 of this report discloses the government’s expenditures of federal and state grants.
- 9.2.4 “Central service costs”: Costs that benefit both grant and non-grant activities included as part of indirect cost of grants.
- 9.2.5 “County agency”: For purposes of this policy, one that receives any form of federal or state financial assistance.
- 9.2.6 “Deferred revenues”: Resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as deferred revenues.
- 9.2.7 “Eligibility requirements”: Conditions established by enabling legislation or resource providers over resources from non-exchange transactions that are required to be met before a transaction (such as recognition of revenue or receivable) can occur
- 9.2.8 “Grants and other financial assistance”: Transactions where one government transfers (or commits to transfer) cash or other resources to another governmental entity, an individual, or an organization as a means of sharing program costs, providing needed subsidies, or otherwise reallocating resources to the recipients.
- 9.2.9 “In-kind”: Refers to contributions in the form of goods or services rather than in cash.
- 9.2.10 “Indirect costs”: Costs incurred for a common or institution-wide objective that benefits more than one grant program or project.
- 9.2.11 “Lead Agency”: A lead county agency is one that has the legal relationship with the federal grantor or pass-through recipient of federal funds. The lead agency is the Award Manager and has the responsibility to centrally bill the federal grantor for all award costs and receive cost reimbursements from the grantor. The lead agency is generally responsible for allowable cost verification against items stated in the terms and conditions of the award and what is noted in the OM Cost principles (ie. 2CR225, formerly A-87, for local governments.)

- 9.2.12 “Modified accrual”: Basis of accounting where revenues are recognized in the accounting period in which they become available and measurable; and expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.
- 9.2.13 “Non-exchange transactions”: Where a government gives value to (or receives value from) another party without directly receiving (or giving) equal value in exchange. Grants and other financial assistance are non-exchange transactions that can be either government-mandated (government in one level provides resources to a government of another level to use for the purposes specified in the provider’s enabling legislation); or voluntary (based on legislative or contractual agreements between two or more willing parties).
- 9.2.14 “Pass-through entity”: a non-federal entity that provides a federal award to a sub recipient to carry out a Federal program.
- 9.2.15 “Pass-through grants”: Resources (mostly federal) received by a County agency as a pass-through entity that is transferred to sub recipients in accordance with the provisions of the financial assistance award.
- 9.2.16 “Program Manager”: Administrative, programmatic and/or financial staff that administer federal assistance by performing the following tasks:
invoicing/billing the grantor or pass through agency, submitting federal assistance progress, financial and other required reports and ensuring compliance with federal requirements
- 9.2.17 “Purpose restriction”: Stipulation of purpose(s) for which resources from non-exchange transactions are required to be used.
- 9.2.18 “Reimbursement grant” (expenditure-driven grant): A type of grant where the grant agreement stipulates that the resources belong to the provider until the recipient has incurred allowable costs under the award program. Where the contract is silent, the nature of the grant is determined from the laws and regulations governing the grant
- 9.2.19 “Schedule of Expenditures of Federal Awards” (SEFA): Schedule required to be prepared by local governments under OMB Circular A-133 and Washington State BARS. This schedule includes all expenditures of federal awards that were received directly from a federal agency or indirectly (pass-through) from a state agency in a given year.
- 9.2.20 “Schedule of Expenditures of State Awards” (SESA): Schedule required under statutory reporting which shows all expenditures of state grants in a given year.
- 9.2.21 “Single Audit”: A financial, internal control and compliance audit of a nonfederal entity administering federal assistance awards including the financial statements of the entity. It is mandatory for grantee agencies that expend more than \$500,000 a year in federal assistance
- 9.2.22 “Sub recipient”: a non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program.

9.2.23 "Time requirement": Stipulation of time period(s) when resources from non-exchange transactions are required to be used or when use may begin.

9.3 Priority Compliance Areas for Federal Assistance Audits

9.3.1 Expenditure of awards only for allowable activities.

9.3.2 Costs of goods and services charged to federal awards are allowable.

9.3.3 Effective cash management to minimize time between receipt of grant funds and the related expenditures.

9.3.4 Davis-Bacon Act requirements are met by contractors under grant programs.

9.3.5 Eligibility of individuals who participate in the grant program.

9.3.6 Equipment and real property management by grantee is effective and in accordance with grant requirements.

9.3.7 Proper accounting for the matching of funds is provided where required from allowable sources.

9.3.8 Level of effort satisfies specified targets and federal funds are correctly apportioned.

9.3.9 Earmarking of specified grant amounts to be spent for specific activities.

9.3.10 Period of availability of federal funds is strictly observed.

9.3.11 Procurements are made in compliance with federal and state laws.

9.3.12 Suspension and debarment status is verified for all sub recipients and vendors expending more than \$25,000.00.

9.3.13 Program income is reported and used in the appropriate manner.

9.3.14 Real property acquisition and relocation assistance requirements are met.

9.3.15 Reporting for all activity during the applicable reporting period are supported and presented fairly in accordance with program requirements.

9.3.16 Sub recipients are sufficiently monitored.

9.3.17 Special tests and provisions requirements are met.

9.3.18 Changes in project scope and budget are formally approved unless waived by grantor agency.

9.4 Grants Financial Administration Manual (Grants Manual Chapter 5)

9.5 Oracle EBS Projects (UPK):

<http://tanoak/ODSTrack/VODSTrack/ABT%20EBS%20Training/toc0.html>

9.5.1 Projects

9.5.1.1

- Expenditure Transactions
- Usage Transactions
- Miscellaneous Transaction

9.6 Oracle EBS Grants (UPK):
<http://tanoak/ODSTrack/VODSTrack/ABT%20EBS%20Training/toc0.html>

9.6.1 Grants