



FEDERAL FINANCIAL REPORTING (STANDARD FORM 425) COMPLETION TRAINING **DRAFT FOR REVIEW ONLY**

Presentation for:

GPD GRANTEES

Presented By

Office of Business Oversight

December 2018



Agenda

Topic	Speaker	Duration
Welcome & Introductions	GPD	5 mins
Purpose of the SF-425	OBO	
Reporting Timelines & Submission Details	OBO	10 mins
Reporting Requirements		
Completing the SF-425	OBO	45 mins
Things to Remember	OBO	5 mins
Helpful Hints		
Representative Supporting Information	GPD/OBO	10 mins
References	OBO	
Open Discussion / Q&A	All Participants	15 mins



Welcome & Introductions

- **Welcome message by GPD** – Yvette Green
- **OBO Team Members** – Jeff Brean, Omar Ochoa, Christina Singleton, Allen Ackles, Nick Rayo, Bill Lawler, Robynn Hollinshead, Greg McLaughlin
- **KPMG Team Members** – Tim Comello, Cari Kaufmann, Tom Coccozza, Jason Abraham, Abi Jhangir, Nasser Sarsour, Thomas Arruda, Scott Brady, Jessica McCoy, Adrienne Gatlin, Kathy Khari
- **Training objectives:**
 - Provide guidance related to completing the Standard Form (SF) 425
 - Highlight key considerations and common errors
 - Help answer any clarifying questions from grant recipients
 - Help clarify the updated process to submit your completed forms via email directly to VA GPD



Purpose of the SF-425

- Required Office of Management and Budget (OMB) financial reporting form to track the status of financial data tied to a particular Federal grant award.
- Captures the obligations and disbursements that occurred during the grant period (not just the period being reported).
- Communication tool to report on the financial health of the grant and demonstrate appropriate use of funds to VA.



Note: A **separate** SF-425 must be done **for each grant award**.



Reporting Timelines

- All VA GPD grants recipients must submit **annual** SF-425 forms on a **Federal fiscal year-end (9/30) basis**.
- A **final** SF-425 is required once the grant's performance period is completed. The reporting period end-date should be the same as the grant performance period end-date.

Reporting Period	Due Date(s)
Annual	Must be submitted no later than 90 days after Federal fiscal year-end (9/30) Submission due no later than 12/31
Final	Must be submitted no later than 90 days after grant period end

- All SF-425 forms should be submitted to the following email address: VAOICGPD425@va.gov and CC to GPDfiscal@va.gov.



Reporting Requirements

Report Submission Supplemental Information

- If recipients need more space to support their SF-425, supplemental pages or relevant attachments may also be submitted with the submission.
- Additional pages must indicate the following reference information at the top of each page: Federal grant or other identifying number (if reporting on a single award), recipient organization, Data Universal Numbering System (DUNS) number, Employer Identification Number (EIN), and period covered by the report.

Note: For single award reporting:

- Federal agencies may require both cash management information on lines 10a through 10c and financial status information lines 10d through 10o.
- Amounts reported at 10b and 10e may not be the same until the final report.



Knowledge Check 1




Knowledge Check 2



Completing the SF-425 (Blocks 1-3)

1. Federal Agency and Organizational Element to Which Report is Submitted Department of Veterans Affairs - Grant and Per Diem Program	2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) 98-194-TX
3. Recipient Organization (Name and complete address including Zip code)	
Recipient Organization Name: Veterans for Veterans Foundation	
Street1: 1775 Chester Puller Way	
Street2:	
City: Austin	County:
State: TX: Texas	Province:
Country: USA: UNITED STATES	ZIP / Postal Code: 78784-3456

- **Block 1: Federal Agency and Organizational Element to Which Report is Submitted:** Enter Department of Veterans Affairs office as identified in Grant Agreement.
- **Block 2: Grant Number Assigned by GPD:** Enter GPD Grant Agreement Number only (no other grant agreement reference numbers should be included).
- **Block 3: Recipient Organization:** Enter name and complete business address including Zip code.

 **Common Errors**

1. Incomplete forms
2. Not reporting the applicable grant number correctly
3. Inaccurate reporting type and reporting period end date
4. Inaccurate basis of accounting



Completing the SF-425 (Blocks 4-7)

4a. DUNS Number 111017751		4b. EIN 03-037761		5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment) 2345	
6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Final		7. Basis of Accounting <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual		8. Project/Grant Period From: 10/01/2015 To: 09/30/2019	
				9. Reporting Period End Date 09/30/2018	

- **Block 4a: DUNS:** Enter Recipient Data Universal Numbering System (DUNS) number.
- **Block 4b: EIN:** Enter Recipient Employer Identification Number (EIN).
- **Block 5: Recipient Account or Identifying Number:** Enter account number or other identifying number assigned by the award. Do not enter bank account information.
- **Block 6: Report Type:** Select appropriate report type. Report type should be “Annually” for interim-period reports and “Final” for the final report.
- **Block 7: Basis of Accounting:** Select accounting method. Cash basis refers to the accounting method in which expenses are recorded when they are paid. For accrual basis, expenses are recorded when incurred.

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Common Errors

1. Incomplete forms
2. Not reporting the applicable grant number correctly
3. Inaccurate reporting type and reporting period end date
4. Inaccurate basis of accounting



Knowledge Check 3



Completing the SF-425 (Blocks 8-9)

8. Project/Grant Period From: <input type="text" value="10/01/2015"/> To: <input type="text" value="09/30/2019"/>	9. Reporting Period End Date <input type="text" value="09/30/2018"/>
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- **Block 8: Project/Grant Period:** Enter the full period of performance the grant and include day, month, and year.

Example: Shows multi-year performance period from October 1, 2016 to September 30, 2019

Note: If you were awarded a multi-year grant, the reported period here will be reflective of the start and end dates identified in the grant agreement.

- **Block 9: Reporting Period End Date:** Enter the period end date for which the SF-425 is being submitted.

Example: Annual reporting-period date entered as September 30, 2018. If this was a final report, the end-date of the grant, September 30, 2019, would have been reported in Block 9.



Common Errors

1. Block 8 - Performance period reported does not reconcile to the performance period stated within the grant agreement and related modifications
2. Block 9 – Information gathered for reporting purposes does not align with the stated reporting period date



Completing the SF-425 - Federal Cash (Block 10): a-c

Example 1

Federal Cash (To report multiple grants, also use FFR Attachment):	
a. Cash Receipts	\$10,000
b. Cash Disbursements	\$10,000
c. Cash on Hand (line a minus b)	\$0.00

Example 2

Federal Cash (To report multiple grants, also use FFR Attachment):	
a. Cash Receipts	\$10,000
b. Cash Disbursements	\$7,000
c. Cash on Hand (line a minus b)	\$3,000

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

- **Block 10a: Cash Receipts:** Enter the amounts of Federal funds received from VA for the GPD grant as of the reporting period end date.
- **Block 10b: Cash Disbursements:** Enter the total amount of Federal funds disbursed against the grant award as of the reporting period end date.
 1. Example 1: If a Grantee received \$10,000 in per diem from the Federal government and has spent all Federal funds, enter \$10,000 for Block 10b.
 2. Example 2: If a Grantee received \$10,000 in per diem from the Federal government, but spent \$13,000 on GPD programs, enter \$13,000 for Block 10b.

Common Errors

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



Completing the SF-425 - Federal Cash (Block 10): a-c (cont.)

Example 1

Federal Cash (To report multiple grants, also use FFR Attachment):	
a. Cash Receipts	\$10,000
b. Cash Disbursements	\$10,000
c. Cash on Hand (line a minus b)	\$0.00

Example 2

Federal Cash (To report multiple grants, also use FFR Attachment):	
a. Cash Receipts	\$10,000
b. Cash Disbursements	\$7,000
c. Cash on Hand (line a minus b)	\$3,000

- **Block 10c: Cash on Hand (Line 10a Minus 10b):** Subtract Cash Disbursements (b) from Cash Receipts (a) to calculate total Cash on Hand.

If the Federal funds withdrawn (10a) is greater than the amount spent (10b), then this number will be positive.

1. Example 2: If a Grantee received \$10,000 (Cash Receipt) from the Federal government, but only paid a vendor \$7,000 (Cash Disbursement) of the Federal funds, enter \$3,000 for Block 10c.



Key Items

1. Basis of accounting will impact reported amounts in this section where funds are drawn down
2. For cash-based accounting:
 - Disbursements block 10a should equal block 10b
 - Cash on Hand should be \$0.00
3. For accrual-based accounting:
 - Disbursements block 10b is usually greater than block 10a
 - Cash on Hand will usually be a negative number representing funding amount owed to recipient



Completing the SF-425 - Federal Expenditures / Unobligated Balance (d-h)

Federal Expenditures and Unobligated Balance:	
d. Total Federal funds authorized	\$36,000
e. Federal share of expenditures	\$24,000
f. Federal share of unliquidated obligations	\$6,000
g. Total Federal share (sum of lines e and f)	\$30,000
h. Unobligated balance of Federal funds (line d minus g)	\$6,000

- **Block 10d: Total Federal funds authorized:** Enter the total amount of GPD funds received during the reporting period. (GPD funds only)
- **Block 10e: Federal share of expenditures:** Enter the total amount of award dollars expended. Expenditures are considered the sum of cash disbursements for direct charges for property and services. (GPD funds only)
- **Block 10f: Federal Share of unliquidated obligations (accrual basis):** Enter the total amount of Federal unliquidated obligations. Unliquidated obligations are obligations which have been incurred, but for which an expenditure has not yet been recorded. On the final report this line should be zero. (GPD funds only)
- **Block 10g: Total Federal share:** Enter the sum of Federal Share of Expenditures and Federal Share of Unliquidated Obligations (Line 10e + Line 10f). (GPD funds only)
- **Block 10h: Unobligated balance of Federal Funds (10d - 10g):** Enter the difference between Total Federal Funds Authorized and Federal Share of Unliquidated Obligations (Line 10d – Line 10g). (GPD funds only)



Common Errors

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



Knowledge Check 4



Knowledge Check 5



Completing the SF-425 - Recipient Share (Block 10): i-k

Recipient Share:	
i. Total recipient share required	0.00
j. Recipient share of expenditures	0.00
k. Remaining recipient share to be provided (line i minus j)	0.00

This section must be completed only if there is a cost share or match required by the agreement. Unless you have received a recent grant award, 10i, 10j, and 10k should be left blank.

Cost share arrangements are typically applicable to situations involving capital grants where there is some type of construction or capital improvement to a facility.

The related grant agreement will outline the cost share ratio between the VA and grant recipient, and related requirements for tracking reportable amounts.



Common Errors

1. Cost share information does not align with grant agreement terms
2. Recipient and VA share of expenditures is not calculated consistently each period



Completing the SF-425 - Program Income (Block 10): I-o

Program Income:	
I. Total Federal program income earned	4,000.00
m. Program Income expended in accordance with the deduction alternative	4,000.00
n. Program Income expended in accordance with the addition alternative	0.00
o. Unexpended program income (line I minus line m or line n)	0.00

FEDERAL PROGRAM INCOME: This section must be completed if the recipient will generate any income as a result of work performed under this agreement. If no income will be generated 10I, 10m, 10n and 10o should be marked N/A. For all others:

- **Block 10I: Total program income earned (non-GPD funds):** Enter any income received for the GPD program from any source outside of direct funding received from the VA. An example of Program Income would be contributions or rental income.
- **Block 10m: Program income expended in accordance with the deduction alternative (GPD funds only):** Enter the amount of Program Income expended and used to reduce the Federal share of Total Cost of Veteran Care.
- **Block 10n: Program income expended in accordance with the addition alternative:** Enter N/A.
- **Block 10o: Unexpended Program Income:** 10I – 10m.



Common Errors

1. Block 10I - Not reporting the cumulative amount of program income received by the reporting period end date
2. Block 10m - Not reporting the correct amount of program income expended for VA grant activities supported under the grant by the reporting period end date



Completing the SF-425 - Indirect Expense (Block 11)

	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
11. Indirect Expense	Final	10%	1/1/2014	12/31/2018	\$100,000	\$10,000	\$10,000
				g. Totals:	\$100,000	\$10,000	\$10,000

INDIRECT EXPENSE: This section must be completed if recipient is charging indirect costs. If no indirect costs, leave blank.

- **Block 11a: Type of indirect cost rate:** Provisional, Predetermined, Final or Fixed.
- **Block 11b: Rate:** Enter rate (%) in effect during the reporting period.
- **Block 11c: Period From/ Period To:** Enter beginning and ending dates for the effective rate.
- **Block 11d: Base:** Enter amount of the base against which the rate was applied.
 Example - if the agreement provides for indirect costs and the rate negotiated was computed using salaries and wages only, then the rate may only be applied to the amount paid for salaries and wages (not to travel, equipment, or other direct costs etc.)
- **Block 11e: Amount Charged:** Multiply 11b and 11d.
- **Block 11f: Federal Share:** 11f should equal 11e unless charging the government less than the indirect costs incurred.
- **Block 11g: Totals:** Enter totals for columns 11d, 11e and 11f.



Common Errors

1. Block 11a – Inaccuracy in type of rate reported
2. Block 11e – the basis for the indirect rate (10b) used does not align with the base amount (10d) to which the rate is applied
3. Block 11f – excess indirect cost is charged to the agency where and when a cost-cap is stated within the grant agreement



Knowledge Check 6



Completing the SF-425 - Remarks and Certification (Blocks 12-13)

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:		
<input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>		
13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil or administrative penalties. (U.S. Code, Title 18, section 1001)		
a. Name and Title of Authorized Certifying Official		
Prefix: <input type="text"/>	First Name: <input type="text"/>	Middle Name: <input type="text"/>
Last Name: <input type="text"/>	Suffix: <input type="text"/>	
Title: <input type="text"/>		
b. Signature of Authorized Certifying Official		c. Telephone (Area code, number and extension)
<input type="text"/>		<input type="text"/>
d. Email Address	e. Date Report Submitted	14. Agency use only:
<input type="text"/>	<input type="text"/>	<input type="text"/>

- **Block 12: Remarks:** Attach any explanation recipient feels should be included with the report.

Block 13: Certification:

- Type the name of the person authorized to sign this document
- E-signature of the person authorized to sign this document
- Telephone number of the person to contact for questions
- E-mail address of the person to contact for questions
- Submission date



Key Items

1. Block 12 – confirm with program office for any additional information that should be included with the completed SF-425
2. This form is an electronic fillable form available on the GPD website



FY2017 SF-425 Assessment Results

Our assessment included:

- Reviewing 942 total submitted SF-425 reports for FY2017
- 455 of the total 942 were full-year reports

Our results:

- Main exceptions that were noted:
 - Reported amount did not match the GL.
 - Documentation was not provided to support the related amounts.



Assessment Key Takeaways

- 10b Cash Disbursements- Total cash disbursements for GPD programs; may be greater than amount of funds received from VA.
- 10e Federal Share Expenditures- Cumulative federal dollars spent should **not** exceed total amount of federal dollars received during the reporting period.
- Amounts reported on SF-425 should be specific to the grant related activities only
 - If your organization has active Federal Contract activity with the VA, the related costs/expenditures should not be reported on your SF-425.



Recap: SF-425 Submission Instructions & Details

Submission Instructions (Things to Remember):

- Once the Grantee has finalized all financial records for the Fiscal Year, the Grantee should complete an electronic, fillable SF-425 form with the related financial figures.
- Once the fillable SF-425 is completed, the form should be signed via electronic signature and submitted to the following email addresses: VAOICGPD425@va.gov and CC to GPDfiscal@va.gov.
- Annual SF-425s should be submitted no later than 90 days after the Federal fiscal year-end (i.e. 12/31).
- Final SF-425s should be submitted no later than 90 days after the grant period end date.

Note: Please type all relevant information into the SF-425 fillable form. Do not hand-write or print any records.



Things to Remember for Submission



Double-check to make sure the SF-425 is fully completed, reflects the amounts for the reported period, and contains all required information and signatures.



Have a copy of your award notification available for reference purposes.



Have copies of the last reported SF-425 (to refer to), if not a new grant. If reporting on new grant for the first time, this would not apply.









Report program outlays and program income on the same accounting basis (either cash or accrual) that it uses in its normal accounting system.



Unexpended funds as reported in Blocks 10c and 10o will be owed back to the VA.



Helpful Tips


-  All completed SF-425's and related questions should be addressed to the following email address: VAOICGPD425@va.gov and CC to GPDfiscal@va.gov.
-  Request an extension in writing prior to the due date for the SF-425, if additional time is needed. Extension requests should be submitted to the contact email addresses above.
-  Suggest compiling on a monthly basis to support an efficient process at year-end.
-  Establish calendar reminders for the annual reporting deadlines.
-  Ensure management review of completed SF-425(s) prior to submission.
-  Complete PDF electronically.



Representative Supporting Information

Representative list of supporting information:

- Copy of SF425 report related to the prior reporting period.
- Copy of grant agreement and related modifications.
- Statement of disbursements/expenditure outlay.
- Supporting general ledger, trial balance, accounting system records.
- Summary of program income sources and related details, if generated by grant activities.
- Summary of cost share calculations, if relevant to the scope and objectives of the grant agreement.

 **Note:** As stated by the OBO, our team will initiate audits of completed SF-425s shortly. This list represents the type of data our team will need to complete the audit.



References

- OMB Federal Financial Reporting SF 425
- VA Grant/Per Diem Regulations
 - Published on February 25, 2013
- Financial Reporting Requirements
 - 38 CFR Part 61.66 & 2 CFR 215.52
- Program Income
 - 38 CFR Part 61.81 & 2 CFR Part 215.24
- 2 CFR Part 200
 - Effective for awards beginning on or after December 26, 2014



Questions?