

7.9.5 DOL Consortium Member Grant Financial Reporting Procedure

GENERAL INFORMATION

The U.S. Department of Labor (USDOL) requires grantees to submit accurate financial reports on a quarterly basis in compliance with the grantor's requirements.

The USDOL requires reporting grant expenditures on a full accrual basis. (29 CFR 95.52). As defined in 29 CFR 95.2, accrued expenditures means the charges incurred by the recipient during a given period requiring the provision of funds for:

- Goods and other tangible property received;
- Services performed by employees, contractors, and other payees; and,
- Other amounts becoming owed under programs for which no current services or performance is required.

Procedure

This procedure applies to consortium grants which require the lead institution to submit a single consolidated financial report that includes expenses for all consortium members.

Quarterly financial reports are entered into the US DOL/ETA electronic reporting system and are due 45 days after the quarter end dates of March 31, June 30, September 30 and December 31. Consortium Members will submit the required financial information to the Consortium Lead by the 21st of the month following the quarter end. The financial information shall consist of a signed Grant Consortium Member Financial Report, a Grant Expenses Spreadsheet and supporting documentation. The supporting documentation for non-personnel expenses shall contain the signed authorization of the Grant Manager or authorized designee for all expenses including all payment transactions, journal vouchers, payment transfers, and Inter MnSCU Salary and Fringe Reimbursements.

By signing the Financial Report/Reimbursement Request, the member is certifying the data is accurate. Consortium members must maintain the original source documentation for the costs submitted.

Requirements for Grant Expenses Spreadsheet

This spreadsheet is a cumulative accounting of all expenses by the member since the start of the grant. There is a specific column for each quarter. Members will record each transaction in the appropriate cost category, which should be the same category that the item was budgeted in the Grant Application or as approved in budget modifications. Please note that this may not be the same cost category (object code) as recorded in the MnSCU accounting system.

Previous Quarter Accruals

First, verify that all items that were identified as an accrual in the previous quarter were paid in the current reporting quarter and verify that the payment amount agrees with the accrued amount. Any variances between the amount accrued and the actual amount paid should be recorded in the column for the current quarter reporting, both debits and credits. Delete the accrued amount from the Accrual column.

Current Report Quarter Expenses

Record in the current reporting quarter column all expenses incurred since the last quarter and not previously reported. For each expense, record the Vendor Name or description and the expense amount in the current reporting quarter column in the appropriate cost category.

Unless specifically directed, all expenses must be reported on an accrual basis. Accrual basis requires that expenses are recognized in the quarter in which they occur, even if not paid by the end of the quarter. For personnel costs, accruals for individual employees is not required, a single line in the salaries section and a single line in the benefits section may be used to record the accruals. Highlight all items which are accruals and then record the accrued expense in the Accrual column to the right of the Administrative Cost Column.

Highlight in yellow all items which are identified as direct administrative expenses. Also, record the amount of all direct administrative expenses in the first vacant column to the right of the total column.

Any minor or immaterial adjustments or corrections to costs from previous quarters must be recorded in the column of the current quarter. Explanations for adjustments should be reported in the blank columns to the right of the quarter columns. Please contact the consortium lead accounting staff if a material adjustment is required to a prior period report.

Indirect Costs

Indirect costs should be computed based on each member's federally approved indirect cost rate. Indirect costs are applied only to personnel salary and benefit expenses claimed for the quarter.

The total of these expenses for the quarter are then recorded on the Grant Consortium Member Quarterly Financial Report

Requirements for Consortium Member Quarterly Financial Report

This spreadsheet will contain the following 3 sheets/tabs: Report, Indirect Costs and Leverage.

The Report Sheet will consist of the following main reporting sections in addition to the member identification information: Budget and Expense, Other, and Administrative Expense sections.

All fields shall be completed. The amounts entered in the Budget & Expense section should match the amounts from the Grant Expenses Spreadsheet for the quarter.

Other section

The Other Section contains amounts for Leverage Expended, Accrued Expenses and Unliquidated Obligations.

Accrued Expenses – this is the amount of expenses for the quarter that were not paid (actual cash disbursed) by the end of the quarter. The items that make up this amount must be included in the expenses reported on the Grant Expenses Spreadsheet.

Un-liquidated Obligations – As obligations for federal grants is an “amount of orders placed, contracts and sub grants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future periods”. 29 CFR 97.3 and 29 CRR 95.2. It includes the amount for issued purchase orders but the items have not been received or the services have not been performed. Obligations are legal requirements but may not include the full encumbrance or budget. MnSCU uses encumbrances as an anticipated expenditure, or funds restricted or “set aside” for anticipated expenses. Encumbrances are used to account for projected or budgeted costs that may come due in a current or future period.

Employee salaries which are encumbered in SEMA4 should not be reported as obligations.

Administrative Costs section

The Administrative Costs section shall contain amounts for Direct and Indirect Administrative Expenses.

Record the direct administrative costs as recorded from the Grant Expenses Spreadsheet, and enter beginning balances from the last Consortium Member Quarterly Financial Report.

A copy of the completed Quarterly Financial Report should be printed, reviewed and signed by the member’s authorized individual, and submitted as a PDF file.

Indirect Expenses Sheet

Record on the Indirect Sheet the amount of Indirect Expenses. Verify that the administrative portion of the indirect costs is correctly computing and the correct rate is being applied. Record the amount computed as the administrative portion of Indirect Costs in the appropriate field on the Financial Report.

Leverage Sheet

Record on the Leverage Sheet all Leveraged Resources received and used during the reporting quarter. Leveraged Resources will not be reported in the quarterly narrative report unless reported in the quarterly financial report.

Required Financial Information for Quarterly Reports

Grant Expenses Excel Spreadsheet
Grant Consortium Member Quarterly Financial Report Excel Spreadsheet
Signed PDF copy of Grant Consortium Member Quarterly Financial Report
Accounting Reports: AC0531CP Transaction List by Fund, AC0521CP Trial Balance
Documentation of Salary & Benefit expenses
Documentation for transactions posted to Inter-MnSCU Salary & Fringe Reimbursements
Reconciliation of Total Grant Expenditures to General Ledger
Time & Effort Reports and quarterly reconciliations
Employee Expense Reports
Copies of Invoices for expenditures over \$100
Accrued Expenditures Schedule & documentation
Quarterly Effort Certification

Sources:

CLC Consortium Grant Financial Management Procedure
US DOL ETA Agreement TC-23753-12-60-A-27
ETA Training & Advisory Guidance Letter No. 28-10, May 27, 2011
ETA Training & Advisory Guidance Letter No. 13-12, February 8, 2013
ETA One-Stop Comprehensive Financial Management Technical Assistance Guides
U.S. DOL ETA Financial Report 9130 & Instructions
2 CFR 220
2 CFR 215

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Signature of College President _____

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