

DATE: June 24, 2016

TO: State Agencies Receiving Federal Assistance

FROM: Kenneth Henschen, Assistant Director
Financial Reporting and Operations

SUBJECT: Schedule G – Schedule of Active Federal Grants

Enclosed/attached are Schedule G – Schedule of Active Federal Grants and the instructions for completing Schedule G, for fiscal year 2016. Complete all columns in accordance with the instructions provided and round to the nearest dollar. Please use the website www.cdfa.gov to verify and correct the CFDA numbers. GAD should be notified of any change to a CFDA number that has a beginning balance. Please indicate all DIRECT AWARD/PASS THRU grants by placing in column G, a “D” for direct awards from the federal government; an “S” for grants received from another agency of the Maryland State Government, political subdivision or any other entities and a “P” if the grant is also passed thru to another state agency or political subdivision or other entity. For example, a grant received directly from the federal government and passed thru to a county would have “D/P” in column G. If “S” is entered in column G, then enter “Pass-Through – and the name of the entity from which the federal grants were received” in column N of the Schedule G. For those grants that have pass-through (P) amounts, Schedule G-1 must be completed and returned with the Schedule G. Instructions for completing Schedule G, Schedule G Reconciliation form, Schedule G-1 form and Schedule G blank forms can be found on the Comptroller’s website: http://comptroller.marylandtaxes.com/Government_Services/State_Accounting_Information/Accounting_Procedures/Accounting_Procedures_Manual.shtml

In column H, mark a “Y” if the grant is a RESEARCH & DEVELOPMENT grant. Please verify the prior year markings and make appropriate changes. Please return (by e-mail if possible) the schedules and the reconciliation to GAD by August 15, 2016.

The beginning balances shown on Schedule G are based on the ending balances from the fiscal year 2015 Single Audit and should not be changed. Total Federal grant expenditures on Schedule G must be reconciled to the total expenditures on the final R*STARS DAFRG100 report (after all closing entries are posted), general ledger accounts 3500 & 3501. The ending receivable or deferred revenue total on Schedule G should be reconciled to general ledger accounts 0500 through 0599 and 1604 of the same report. A detailed explanation of any difference between the balances on the final DAFRG100 report for Appropriated Fund 0005 and Schedule G should be provided with the Schedule G. GAD has included the Schedule G Reconciliation Form to assist in the reconciliation. The completed Schedule G Reconciliation Form must be returned with the Schedule G. In order to reconcile the Schedule G to RSTARS, run the DAFRG100 report for federal funds after the agency has posted all the closing entries for the fiscal year.

Ending Receivable Balances:

Agency Financial Officers must review and confirm (by signing the Schedule G) that the ending receivable balances for all CFDA numbers reported on the Schedule G are true receivables. Please ensure that all required data associated with federal grants are submitted to the federal agencies at least a week before the deadline and all receivables are collected on time.

Federal Grants transfers between Maryland State Government Agencies:

Note #1. The agency making the transfer (journal entry) should debit its federal revenues using TC 411 and credit the federal revenues of the receiving agency using TC 410. Use object code 8829 for both TC's. The agency making the transfer should not increase its federal fund expenditures in RSTARS or on the Schedule G for amount of transfers. (**An exception to this is in Note #2**). The agency receiving the transfer should report the revenues on its Schedule G.

Note # 2. Agency (A) receives grants (eg: \$5,000,000) from the federal government and spends part of the grants (\$3,000,000) on its programs and transfers the remainder (\$2,000,000) to reimburse the expenditures of Agency (B). The expenditures of Agency (B) are accounted in the reimbursable fund. Agency (A) should record the entire amount of grants (\$5,000,000) as federal fund revenues and expenditures in RSTARS as well as on its Schedule G.

Federal Grants Passed Through to Sub-recipients:

COFAR Uniform Grants Guidance, paragraph 200.510, effective Fiscal Year 2016 requires auditees to identify separately "the total amount provided to sub-recipients from each Federal program".

A Maryland State agency passing through Federal awards to a sub-recipient that is another State agency, political subdivision or other entity should identify them by one of these categories in the Description column on the Schedule G-1.

Federal Stimulus Funds:

The State continues to receive federal funds from the economic stimulus bill that have detailed reporting requirements that are unique. Therefore, state agencies will need to carefully segregate the financial activity for these funds.

In conjunction with the Department of Budget and Management, the General Accounting Division (GAD) has established guidelines for recording federal funds from the economic stimulus bill. Specifically, all applicable transactions should be recorded using the agency fund "0550". GAD has established this agency fund, which rolls up to appropriated federal funds, in the R*STARS D23 profile for each agency. R*STARS

transactions using this agency fund will be included on the “Cash Control Inquiry” (S063 Screen). In addition, GAD will be able to run statewide reports on this agency fund for the federal stimulus activity.

In addition, agencies need to create “grant numbers” (D47 screen) within the appropriate grant category (D40 screen), i.e., CFDA number. This will segregate the stimulus funds from other federal activity of that CFDA number for grant accounting.

Accordingly, all agencies that may receive federal stimulus funds should start establishing separate “program cost accounts” (pca’s in the 26 screen) for all programs that may receive these funds. These pca’s should include the new grant number (D47 screen) and agency fund (0550). For example, the Department of Education currently receives federal funds from the School Lunch Program, CFDA Number 10.555. The Department will be receiving federal stimulus funds for this program. Accordingly, the Department needs to establish a new grant number that “rolls” to the grant category, 10.555. The Department will then establish a pca that points to this new grant number and agency fund 0550. See attached listing of requestable reports.

It is important that these schedules be accurately completed and returned to GAD on time. If you are not going to meet the deadline, please notify my office as soon as possible. In addition, please ensure that all inquiries and requests by the independent auditors concerning this information are responded to in a timely manner.

If you have any questions or need assistance, please contact:
Tania Ivanova at 410-260-7794, Email: tivanova@comp.state.md.us
Kelly Hammond at 410-260-7362, Email: khammond@comp.state.md.us
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Requestable Grant Reports:

DAFR8400 and DAFR8420 Grant Summary Report and Grant Revenue and Expenditure by Program Report. These reports provide total revenues/expenditures and encumbrances, with variances from the budget by object, for each grant category/number/phase. The Grant Summary Report (DAFR8400) provides inception-to-date information.

DAFR8390 Grant Detail Transaction Report – provides the detail transactions posted by grant category, number and phase.

DAFRT800 Grant Monthly Transaction Detail – provides the detail transactions posted by grant category and grant number. It allows report requests for separate agency fund and object information.

DAFRT150 Expenditure Detail – Org., Program, PCA, Index and Fund – A general report that provides detail transactions at the level specified in the request.

DAFRT250 Revenue Detail – Org., Program, PCA, Index and Fund – A general report that provides revenue detail transactions at the level specified in the request.
