



Financial Administration of Grants and Gifts

Controller's Office

Accounting Operations & Systems Division

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This document is available on the CCSF Intranet:

http://www.sfgov.org/wcm_controller/ControllersPolicies/index.html

Grant analyst contacts information is available on the CCSF Intranet:

<http://mission.sfgov.org/DocCenter/DispDetail.aspx?DocNo=882>

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I. Introduction

Why grants are important:

- In FY 02-03 Federal, State, and other grant and entitlement revenues totaled \$994 million, accounting for 36% of the CCSF general governmental revenues. These revenues are critical to the functioning of City government and the well being of City residents.
- Grants require a high level of coordination to ensure that grant funds are used to achieve the City's Strategic Plan and derive the greatest benefit to our City.
- Increased scrutiny from funding agencies, such as audit requirements and emphasis on periodic reconciliation and reporting to reassure granting agencies that their funds are used appropriately.

Terminology: Grants, Subventions, and Gifts

This handbook often uses the term "grants" to refer to any outside money that supplements the City's revenues from local taxes, bond sales, investments, and fees. This may include:

- Grants that the City applies for from public or private entities
- Subventions (Entitlement Programs)
Subventions are Federal and State entitlement programs, such as Food Stamps Program, that automatically allocate money to the City based on census data, assistance claims, or other measures.
- Gifts from private individuals, estates, and corporations

Our goals as grant financial managers are:

- Facilitation of smooth and fair delivery of grant-funded services to San Francisco residents
Grant accounting procedures are intended to ensure that grant funds are available to provide services to San Francisco residents, and to prevent problems that could cause the City to lose current or future grant funding.
- Full compliance with grant guidelines
Grant recipients must work to ensure that all grant conditions are met and grant money is expended appropriately.
- Accurate accounting

- Analysis and reconciliation of expenditures and revenues every fiscal year-end
Each grant should balance, with revenues (including receivables) equal to expenditures (including encumbrances), and with the Financial Accounting Management Information System (FAMIS) records matching reports provided to the granting agencies. This reconciliation is an essential component of the audit to evaluate the reliability of financial records.
- Timely and periodic billing of maximum eligible revenues
Draw down grant revenues as soon as earned and claim the maximum eligible revenues (including reimbursement of indirect costs, when allowed).
- Pass audits successfully
Support the Annual Federal Single Audit and other required audits to demonstrate the reliability of our financial systems and program compliance to funding agencies, the Board of Supervisors, and the public, and promptly rectify any deficiencies identified by the audits.
- Continuous improvement
Keep improving our systems and procedures to ensure efficiency and effectiveness. Utilize the available financial reports for management reporting and to facilitate analysis and reconciliation.

Using this handbook

This handbook is intended to describe the routine aspects of grant financial management. The grant cycle and its relation to the handbook are as follows:

- Applying for grants (not part of the scope of this handbook)

Departments have the authority to apply for grants without seeking prior approval from the Board of Supervisors or the Controller's Office. This handbook does not discuss how to research and apply for grants.
- Accepting and obtaining authority to expend grants:

To accept and expend grant funds, Departments must obtain expenditure authority (appropriations) from the Board of Supervisors (except for small gifts up to \$10,000, discussed in Chapter II-B).

Departments can obtain expenditure authority to spend their grants in either of two ways:
 - Include grants in the Annual Appropriation Ordinance (AAO) and grant-funded positions in the Annual Salary Ordinance (ASO). This procedure is discussed in Chapter II-A.
 - Submit a grant "Accept and Expend Resolution" to the Board for approval. This procedure is discussed in Chapter II-B.
- Setting up grant codes and index codes in FAMIS (Chapter III)

- Managing grant revenues (Chapter IV)

This chapter discusses how and when to recognize grant revenues for consistent and accurate financial reporting.

- Managing expenditures and procurements (Chapter V)

This chapter discusses how to manage grant expenditures for consistent and accurate financial reporting, including sub-recipient monitoring as well as procurement process in compliance with the grant provisions and City regulations.

- Analyzing Grants in FAMIS (Chapter VI)

There are basic procedures for analyzing grants in FAMIS and resolving problems when grant appropriations appear to be exceeded.

- Federal Single Audit and Cost Eligibility Guidelines (Chapter VII)

This chapter discusses special issues associated with the annual Single Audit of Federal grants, and general Federal grant cost eligibility guidelines.

- Indirect Costs (Chapter VIII)

The Board of Supervisors requires that Departments seek reimbursement for indirect costs associated with managing grants, or obtain a waiver from the Board. Chapter VIII discusses indirect cost issues.

- Grant Reconciliation and Closeout (Chapter IX)

This chapter presents basic principles for grant reconciliation and closeout.

- Appendices: Background materials for reference

The appendices provide useful background material, including:

- Appendix A Administrative Code and AAO Sections on Grants and Gifts
- Appendix B Grant Accept and Expend Resolution Package
- Appendix C Common FAMIS Grant Transaction Codes
- Appendix D Commonly Used FAMIS Grant General Ledger Accounts

II. Grant Budget Approval

Accepting and expending grants requires Board approval (except for gifts less than \$10,000). Board approval can be obtained either through the Annual Appropriation Ordinance (AAO), or through an “Acceptance and Expenditure Process”.

A. Recurring Grants and Grant-funded Positions in the AAO and ASO

A substantial number of the City’s grants are recurring — that is, they are granted to the City each year to fund the same programs and related FTE positions, and essentially provide a portion of the Department’s operating budget.

To provide a clearer picture for the public and policy makers of the true size of a Department’s budget and staff, grants of this type should be included in the annual budget process and approved through the Annual Appropriation Ordinance and Annual Salary Ordinance. The Annual Appropriation Ordinance and the Annual Salary Ordinance authorize, respectively, the expenditure of funds and the creation of City positions. They have the same force and effect as grant “Acceptance and Expenditure Process.”

Include the grant in annual budget requests if both of the following apply:

- The grant spending will begin on or after the first day of the budget year.
The department is confident that the grant will be awarded or renewed in the budget year and can document the basis for the projected grant budget.
- The grant budget has not already been authorized through a grant “Acceptance and Expenditure Process”.

Grant Coding in the Budget System

Grant coding in the budget system is intended to facilitate analysis of the budget, and to ensure that grant tracking and reporting can be performed correctly. The following general principles apply to setting up grants in the annual budget:

- New grant detail code for each grant award
For grants that are renewed each year on the City’s fiscal year schedule, Departments should request a new grant detail code in FAMIS (general ledger system) /BPREP (budget system) to represent the new fiscal year. The coding should follow the convention of using the last two digits of the year in which the fiscal year ends; i.e., use detail “04” to designate fiscal year 2003-2004.

If a Department receives operating grant awards on a cycle that differs from the City’s fiscal year, set up a new detail for each grant award. For example, if a grant award period follows the Federal fiscal year, i.e. October 1, 2002 to September 30, 2003, then October through June would be budgeted in the “03” grant detail, July through September 2004 would be budgeted in the “04” grant detail.

- Include a budget for anticipated program income, if applicable
If a grant is expected to receive program income, from interest on advances, loan repayments, or other revenue sources, you may include an estimate of that program income in the budget and a plan for spending it. If the program income is uncertain, the Controller's Office or the Board may reserve some or all of the appropriation.
- Grant-funded positions: Use "G" indicator
In the BPREP budget system, grant-funded positions are entered with position status indicator "G" and are shown by classification. Position status indicators allow for analysis of the workforce Citywide and facilitate budget balancing.
- Balance revenues and expenditures budgets at grant level
Grants in the annual budget use the same sub-objects as those approved through "Accept and Expend Resolutions". Revenues and expenditures are entered, and the grant is balanced at the grant level. As with other grants, the Controller's Office has the authority to make minor adjustments in amounts if the final award amount differs from the budget estimate.

Review Grant Information each Budget Year

Once a grant is included in the annual budget, all the budget records, including revenue, expenditure, and position entries, are "rolled over" into the base budget for the following fiscal year. The base budget column becomes available for analysis and comparison with other budget phases.

Some grants that are not recurring may appear in the base budget. Departments are responsible for identifying any non-recurring grants and deleting them from their budget submission.

If the grant will be budgeted again, Departments must enter the appropriate amounts and position records in the relevant new grant detail and zero out old grant details. In some cases, the Controller's Office may be able to shortcut this process by running a recast in BPREP. Departments should contact the budget division about this process. Remember that all grant funds are set up in the City's accounting system as continuing funds—that is, unspent amounts from prior years are continued - departments do not need to re-enter unspent balances in new grant details.

B. Accept and Expend Resolutions

For gifts \$10,000 and greater as well as all grants that are not included in the Annual Appropriation Ordinance (AAO), departments must submit an Accept and Expend Resolution, or an Ordinance amending the Annual Salary Ordinance (ASO) if new positions are being created to obtain spending authority from the Board of Supervisors. The procedures for submitting an Accept and Expend Resolution are provided in Administrative Code Section 10.170. Procedures for Gifts up to \$10,000 are provided in Administrative Code Section 10.100.305. These Code sections are shown in Appendix A.

The key points are:

- Departments may apply for grants on their own. “Accepting and Expending” requires Board Authorization.

The Administrative Code (Section 10.170) allows Departments to apply for grants without obtaining prior Board authorization. However, Board action is required to accept and expend the grant. In some cases, a funding agency may require a Board Resolution to be attached to a grant application. In this case, a single Resolution for “apply, accept, and expend” may be routed through the Board, provided that no new positions are being created.

- When preparing the grant application and budget, indirect costs should be included unless expressly unallowable under the terms of the grant.
- Make sure the Resolution includes approval for any special grant conditions or uses of program income.

If a grant has any special conditions, such as matching requirements or legal waivers of liability, these conditions should be clearly stated in the “Accept and Expend Resolution” to be approved by the Board.

If a grant program is expected to earn program income, such as from interest on advances, fees paid by participants, or repayments of loans funded by the grant, the Resolution should include explicit instructions for how the program income will be expended.

- Exception for Gifts Up To \$10,000 - Board notification only

Departments may accept and expend gifts up to \$10,000 without requiring prior Board authorization (Administrative Code Section 10.100.305). Departments must work with the Controller’s Office Grants Unit to set up these small gifts in FAMIS. Departments are required to provide an annual report to the Board in the first two weeks of July of all such small gifts. See Figure II-1 for a sample notification memo.

Gifts over \$10,000 are treated the same as grants, and require accept and expend Resolutions. Contact the Controller’s Grants Unit regarding how the gift should be recorded in FAMIS.

- When preparing an Accept and Expend Resolution, specify any significant grant conditions or matching fund requirements.

Figure II-1. Memo Format for Annual Report on Gifts of < \$10,000

Date:	July 14, 20XX
To:	Clerk of the Board of Supervisors
From:	
Subject:	Annual Report on Gifts Received up to \$10,000
<p>In accordance with Administrative Code Section 10.100-305, this memo serves to provide the Board of Supervisors with a report on gifts up to \$10,000 received by the Department during the past fiscal year:</p>	
Gift Description	Source Value Disposition
1.	
2.	
3.	

Guidelines for Accept and Expend Resolutions

- See Resolution package in Appendix B: Checklist, Cover Memo, Grant Information Form, Resolution Template, Sample Resolution and other related forms
- Resolution signed by Department, Mayor’s Finance Office, and Controller
- Original (red-line) and 4 copies to Clerk of the Board by Wednesday noon to be placed on calendar for following week
- Provide one copy of the Resolution/Ordinance to Controller’s Grant Unit

C. Changes to Grants (budget modifications, time extensions)

Grant budgets may be revised during year if award levels change

- If departments do not know their exact grant award levels at the time they prepare their AAO budgets, they should include their best estimate. Departments should notify the Controller’s Grants Unit as soon as they learn of any changes in grant award levels from the amounts estimated in the AAO. The AAO has historically included a clause allowing the Controller to adjust grant revenue and expenditure budgets if award levels change, without requiring Board action (see Section 11.1 of the FY 2003 AAO, reprinted in Appendix A). If the change is large, the Controller’s Office may decide that consultation with or action by the Board would be appropriate.
- If a department needs to make changes to the grant budget or schedule after it has been approved by the Board of Supervisors, here are the procedures:

- Check that the changes are allowed by grant agreement. If unsure, get written approval from funding agency (e-mail okay).
- Submit backup documentation to Controller’s Office Grants Unit, with schedule extension request or journal entry for budget changes.
- Moving budgets between different line items is usually permissible, as long as it is allowed by the grant agreement. If the grant requires that the Department submit documentation to the funding agency in order to move budgets around, AND if the budgetary change involves at least 15% of a budget line item, then the Department must submit a copy of that documentation to the Board of Supervisors.

If the funding agency allows the budgetary transfer between line items without any documentation, and if there is no proposed increase in staffing, the department does not have to notify the Board of Supervisors. Reference: Administrative Code, 10.170-1(F). See Figure II-2 for a sample memo.

If a department wants to shift grant funds into salaries in order to hire more staff thereby creating new positions, then the department must get prior approval from the Board of Supervisors through an ordinance amending the Annual Salary Ordinance (ASO). The department should work with the Human Resources Department (HRD) to prepare an amendment to the Annual Salary Ordinance (ASO), including the index code, fund and position classification(s). For ASO amendments, please contact HRD at 557-4800.

Figure II-2. Memo Format for Budget Revision Notification to Board

Date:	
To:	Clerk of the Board of Supervisors
CC:	Controller’s Office Grants Unit
From:	
Subject:	Grant Budget Revision Grant name:
<p>In accordance with Administrative Code Section 10.170-1(F), this memo serves to notify the Board of Supervisors of a Federal or State grant line item budget revision in excess of 15% requiring funding agency approval.</p> <p>We have attached a copy of budget revision documentation submitted to the funding agency.</p> <p>Attachment: Budget revision documentation</p>	

D. Interest Allocation and Program Income

Grants with Positive Cash Balances

Grants that receive grant advances or program income may have a positive cash balance earning interest. Program income is any revenue derived from grant-funded activities, such as repayments of loans that were originally funded by the grant, or fees paid by program participants or beneficiaries.

The default rule for interest and program income is that they are allocated to the general fund. The interest and program income may be allocated back to the grant if the grant requirements specify that they must be used on the grant programs, or returned to the funding agency.

Departments should bring any interest allocation issues to the attention of their Controller's Grants Unit contact.

Grants with Negative Cash Balances

Most grants require the Department to expend funds first and then get reimbursed by the granting agency. This results in a negative cash balance in the grant account until the final reimbursement is received. Interest costs are calculated for the negative cash balances in the grant account, but the default procedure is to charge those interest costs to the general fund. Departments are expected to minimize these interest costs by obtaining reimbursement from funding agencies as quickly as possible.

In special cases, interest costs on negative cash balances may be allocated to the grant account. This would usually occur if the cash balance cycles between negative and positive, so that interest costs on negative balance are used to offset interest earned on the positive balances.

III. FAMIS Grant and Index Code Set-up

Grant Set-up

- Some departments are authorized to set-up grants; others must submit grant set-up requests to the Controller's Office Grants Unit.
- Requests to set-up grants should be submitted with complete information to the Controller's Office Grants Unit. Refer to the grant set-up form and screen-print of FAMIS Screen 5070 (Figure III-1 and Figure III-3).

When setting up a grant, the following issues need to be addressed:

- What will be the grant code?
The grant code has six digits: the first two characters of the grant code are the two-digit department code; the remaining four digits of the grant code can be any alphanumeric combination of significance to the grant.
- What is the grant title?
The grant title should accurately describe the nature and purpose of the grant. It is limited to a maximum of 40 characters in FAMIS.
- What is the grant type? (The grant types are discussed in details in Chapter IV.)
The one-character grant type must be one of the following:
F: Federal Direct
T: Federal Pass-through State/Other
S: State
L: Local/Regional
M: Mixed: Use when one grant code includes more than one funding source type (e.g. Federal and State)
P: Private: Use for grants received from individuals and private for-profit and non-profit corporations. (If the funds are originally Federal, but passed through a non-profit corporation, then use "T" instead).
R: Loan Repayment (not currently used. For loan programs, best to use the grant type for the original source of the funds, e.g., F, T, S, or L if the program was originally funded with Federal direct, Federal pass-through, State or local funds).
- Does the grant require a Catalog of Federal Domestic Assistance number (CFDA)?
CFDA numbers are required for all Federal direct and pass-through grants: Obtain from the funding agency. The CFDA number is used for reporting the grant in the City and County's annual Single Audit of Federal expenditures. The CFDA can be searched online at <http://www.cfda.gov>.

- Should the revenue and expenditure budget balance?

All grants **must** balance, that means that there will be enough revenue to pay all the expenditures of the grant activities. **Grant budgets will not be approved if they do not balance. Revenue budget and expenditure budget must reside in the same grant code.**

- Does the grant require a grant detail?

Generally, a grant should have a two-digit detail after the first six digits of the grant that describes the fiscal year in which the grant will be spent. If the grant continues for more than one fiscal year, a new detail should be added each year.

Annual subventions (entitlement payments), that are placed into the general fund and are entirely expended during the same fiscal year they are provided – grant code or grant details are not required. Expenditure appropriations associated with these subventions do not carry forward from one year to the next, hence no need to maintain separate fiscal year grant details.

In special circumstances, Departments may use the Grant Detail 1 for other purposes rather than fiscal year. Grant Detail 2 (2 characters), Detail 3 (one character) and Detail 4 (one character) are optional and may be used in any way the Department finds useful for reporting or analysis purposes.

Use a separate detail for each grant award. Grant types are usually not mixed, unless the grants are reported together. For example if a program is receiving both State and Federal grants and the expenditures under each grant are accounted for separately, make a separate detail for each grant type. If a grant has a Federal and State share, and the expenditures are reported together, the two grants may be reported in the same detail. (Note: In this case, the details would show the Federal catalog number for the Federal grant and only the Federal share of the expenditures would be reported in the annual Single Audit).

For unique, one-time grants or gifts, the grant code may be sufficient and no grant detail needed. However, if a grant code is initially set up with no details, they cannot be added later.

- Gifts for the same purpose may be combined in one detail.

Some gift campaigns can result in numerous small gifts for a single purpose, such as a civic celebration or an historic building restoration process. These gifts may be combined in a single detail if there is no need to distinguish each one in FAMIS for reporting purposes.

- Grant details should be used together with project details.

Departments should use the grant and project structure together in FAMIS under the following circumstances:

- The grant involves a capital project.

All capital projects must be tracked in the project structure as part of the fixed assets reporting system (FAACS). So, even if a grant is the sole source of funding for the capital project, the expenditures must be recorded in both the grant detail and a project detail.

- The grant is part of a project with multiple funding sources and the Department wants to use the project structure for combined reporting.

- Matching funds can be tracked using special grant or project details, or in an off-line spreadsheet.

Many grants require matching funds or in-kind contributions, which could come from the general fund, other grants, nonprofit agencies or individual volunteers. Departments are responsible for tracking and reporting matching funds and contributions to comply with grant agreements and support audits. Departments may work with the Controller's Grants Unit to determine the most efficient way to track matching funds. Possibilities include using specific grant or project details or maintaining a spreadsheet kept with departmental grant files.

Figure III-1. GRANT SET-UP FORM

Department:	Date:
Prepared by:	Phone:
Is grant included in AAO?	
If not in AAO, please attach copy of Accept & Expend Resolution passed by Board	
Grant Code (6 characters, 1st 2 characters = lead dept code)	
Title (40 chars maximum)	
Detail 1 Code (2 characters, default = donor funding fiscal year)	
Detail 1 Title (40 chars maximum)	
Detail 2 Code (2 characters, OPTIONAL)	
Detail 2 Title (40 characters maximum)	
Detail 3 Code (1 character, OPTIONAL)	
Detail 3 Title (40 characters maximum)	
Detail 4 Code (1 character, OPTIONAL)	
Detail 4 Title (40 characters maximum)	
Grant Type (note F = Federal direct, T = Federal passed through State or other, S = State only, L = local/regional agency, M = Mixed Funding Sources, P = private)	
Control Type (default = GY, grant fiscal year. This field is not currently being used as an active control flag in FAMIS)	G Y
Donor Agency (4 char. Abbreviation, if known. If not known, provide agency name here and Controller will enter)	
Federal Catalog Number (5 digits, required for all Federal grants for single audit reporting purposes. Obtain from award document or request from grantor)	
Plan Dates: Start (MMDDYYYY) – as per grant agreement	
End (MMDDYYYY) – final date for eligible costs	
Int Dist by Grt: (N/Y): Default = "N" Enter "Y" only if grant will positive cash balances and grant terms mandate interest be used on grant or returned to funding agency	N
Actual Dates: Start (MMDDYYYY) Controls earliest transaction date	
End (MMDDYYYY) Controls latest transaction date	
IDC Reimburse (Y/N): Default = "N." The Controller's Office has not yet developed a system for using this flag.	N

Figure III-2. FAMIS Screen 5070, Grant Set-up Screen

FAML5070 V4.2	CITY/COUNTY OF SAN FRANCISCO	PRODUCTION: FAMIS	05/04/2003
LINK TO:	GRANTS		11:22 AM
ACTIVE			PAGE 1 OF 4
GRANT	: MYWSPG	WEED & SEED PROGRAM GRANT	
GRANT DETAIL	: 00PC	FY99-00 GRANT YEAR	
TITLE	: WEED & SEED 99/00	POLICE	
LOWER LVL REQUIRED	: N		
GRANT TYPE	: F	FEDERAL GRANT	
CONTROL TYPE	: GY	DONOR FUNDING FY	
CCSF FILE NMBR	:		
RESP PERSON	:		
DONOR AGENCY	: DOJ	U.S. DEPARTMENT OF JUSTICE	
CCSF APPROVAL	:		
FEDERAL CATALOG	: 16595	EXECUTIVE OFFICE FOR WEED & SEED (BJ)	
TYPE OF REIMB	:		
INT DIST BY GRT	:		
PLAN DATES	START : 07/01/1999	END : 09/30/2003	
ACTUAL DATES	START : 07/01/1999	END : 09/30/2003	IDC REIMBURSE : N
CREATE DATE	: 04/14/1999	STATUS IND : A	
UPDATE DATE	: 04/14/1999	STATUS DATE : 04/14/2003	

NOTE: THE FOLLOWING FIELDS ARE NOT CURRENTLY POPULATED BUT ARE RESERVED FOR FUTURE USE

“CCSF File Nmbr”

“Resp Person”

“CCSF Approval”

“Type of REIMB”

“Int Dist By Grt”

Index Codes

A new index code may or may not be necessary for each grant. Some Departments administer multiple grants with one index code. Others prefer to embed the grant detail in the index code and to set up a new one for each grant detail.

There is one special case where the index code must have a grant detail embedded in it: If department is not using the Labor Distribution System (LDS) and wants to charge personnel costs directly to a grant, the lowest-level grant detail must be embedded in the index code.

If you need a new index code for a grant, do the following:

- Departments may e-mail the index codes set-up information to their Grants Unit contact using the index code form (Figure III-2) or fax a screen-print of FAMIS Screen 5300 (Figure III-4) with the new index code information included.
- Specify sub-fund, program, organization, appropriation allocation, and allotment control.

Figure III-3. GRANT INDEX CODE SET-UP FORM

Department:							Date:		
Prepared by:							Phone:		
Index Code (6 - 12 characters)									
Title (up to 40 characters)									
Fund Type (2 characters)									
Fund (3 characters)									
Sub-fund (3 characters)									
Program (3 characters)									
Dept Activity (up to 16 characters, OPTIONAL)									
Organization (up to 16 characters)									
Project (6 characters, OPTIONAL, normally for capital grants only)									
Project Detail (up to 6 characters, OPTIONAL)									
Grant (6 characters, optional. Specify if index code will be used for only one grant)									
Grant Detail (up to 6 characters, optional. Use if index code will be used for only one grant detail)									
User Code (8 characters, optional)									
Sub-Object (5 characters, optional)									
Allocation Control (2 characters, default = 81 (Grant), or 84 (Grant Detail 1). Other options available)									
Allotment Control (default = 81 (Grant), or 84 (Grant Detail 1). Other options available)									
Cash Control (2 characters, default = GG (grant))									
Start Date (MMDDYYYY)									
End Date (MMDDYYYY)									

Figure III-4. FAMIS Screen 5300, Index Code Set-up

FAML5300 V4.2	CITY/COUNTY OF SAN FRANCISCO	PRODUCTION: FAMIS	05/04/2003
LINK TO:	INDEX CODES		11:28 AM
ACTIVE			
INDEX CODE	: 235105	JAIBG FY 00/01(MYJABG/01CY)	
FUND TYPE	: 2S	SPECIAL REVENUE FUNDS	
FUND	: PPF	PUBLIC PROTECTION SPECIAL REVENUE FUND	
SUBFUND	: GNC	GRANTS, NON-PROJECT, CONTINUING	
PROGRAM	: CBI	CHF-CHILDREN PROGRAMS	
DEPT. ACTIVITY	:	optional	
ORGANIZATION	: CHF250444	DETENTION DIVERSION	
PROJECT	:	optional, for capital grants only	
PROJECT DETAIL	:	optional	
GRANT	: MYJABG	JUV ACCOUNTABILITY BLOCK GRANT	
GRANT DETAIL	: 01CY	DEPT CHILDREN YOUTH & FAMILIES	
USER CD	:	optional	
SUB-OBJECT	:	optional	
ALLOTMENT CTL	: 87	SFD/DEPT/GRANT/DETL2	
ALLOCATION CTL	: 87	SFD/DEPT/GRANT/DETL2	
CASH CTL TYPE	: GG	GRANT	
COST DISTR	: PSC% :	TAX REBATE% :	EXTERN RPT REQ :
START/END DATES	: 04/01/2003 / 09/30/2001	FUTURE YEAR INDEX :	
F1-HELP	F2-SELECT	F4-PRIOR	F5-NEXT F9-LINK

IV. Grant Revenues

Major Grant Revenue Issues

Grant revenues must be treated consistently because the City reports these revenues every year in financial statements and audit reports. Any significant changes from year to year in the amount or type of revenues must be explained. Finding and explaining changes is easier when revenues are treated consistently.

Three main issues related to grant revenues are:

- Timely claims for eligible grant funds, so that interest from outstanding grant receivables is not lost.
- Consistent reporting of revenue sources (e.g., Federal, State, etc.)
- Consistent timing for recognizing revenues (setting up receivables, recognizing advances, etc.)

Grant Claims: Delay Costs the City Money

With reimbursement grants, the City spends money and is then reimbursed. While waiting for reimbursement, the City loses the interest it might have received on the grant funds. If \$10 million in grant funds were unclaimed for a year, and if the City earns 1.5% on short-term investments, the financial loss could amount to \$12,500 per month or \$150,000 per year due to the delay.

- Claim at least quarterly (monthly for large subvention programs).
- Keep track of cash positions on grants and analyze large negative balances.

To see the cash position of the grant, look at FAMIS Screen 6410, General Ledger account 101, "Equity in City Treasury-Pool." A negative GL 101 balance indicates that the City has expended and should be able to file a claim or draw down on grant funds to reimburse the City Treasury for grant-related expenditures.

Grant Types

FAMIS identifies grants types by the revenue sources according to the following categories:

- Federal Direct (F)

Funds received directly from a Federal agency. Use "F" in the FAMIS "Grant Type" field (Screen 5070).

- Federal Pass-Through (T)

Federal funds administered by and received from the State or other non-Federal entity. Use "T" in the FAMIS Grant Type field (Screen 5070).

- State (S)

Funds ultimately derived from the State budget. These usually are received directly by a State agency, but may, in some cases, be administered by and received from a regional or local agency, such as the Metropolitan Transportation Commission. Use “S” in FAMIS Grant Type field (Screen 5070).

- Local (L)

Funds received from other local public agencies and derived from locally administered taxes, fees or other revenue sources. Examples include some Metropolitan Transportation Commission and Bay Area Air Quality Management District grants derived from locally paid gas taxes or vehicle license fees. Use “L” in FAMIS Grant Type field (Screen 5070).

In some cases funds administered by a local agency, such as the MTC, may come from taxes collected by the State, but redistributed to regional agencies for the purpose of making grants. Generally, if the State provides the funds to the regional agency by formula based on taxes or fees paid in the region, the funds should be considered “local.” If the State apportions money from a statewide pool to regional agencies based on some other criteria, the funds should be considered “State.” In ambiguous cases, use “local” as the default characterization for funds coming from a local or regional agency.

If the funds were originally Federal grant funds passed through the local entity, the grant should be designated a Federal pass-through, with “T” in the FAMIS Grant Type Field (Screen 5070).

- Mixed (M)

Use when one grant code includes more than one funding source type (e.g. Federal and State)

- Private Gifts and Grants (P)

Funds received from private for-profit and non-profit corporations (that are not Federal or State pass-through funds). Use “P” in FAMIS Grant Type field (Screen 5070). If the money originally came from the Federal or State government and are passed through the private entity, use “T,” or “S,” respectively.

Grant Revenue Sub-Objects

- Public agency grant revenue sub-objects in 40000 series.
- Gifts and bequests use sub-object 78101; Private grants use sub-object 78201
- Some programs have specific sub-objects

For example, revenue sub-objects 40124 “Food Stamps E&T-Fed Share” and 43111 “FEMA, Federal Share” are specific to those programs.

- New sub-objects can be created when necessary or useful: contact your Controller’s Office Grants Unit representative to discuss.

To view sub-objects in FAMIS, you can link to Screen 5200, and press F2 in the sub-object field to reach the sub-object list and page through it or type a number over the sub-object field as a starting point (for example, type 30000).

General Federal Grant Sub-objects

- **44939** "Federal Direct Grants"
Use for all Federal grants received directly from Federal agencies and those without a unique sub-object.
- **44931** "Federal Grants Passed Thru State/Other"
Use for all grant revenues involving Federal funds administered and provided by the State or other non-Federal agency.

State Grants

- **48999** "Other State Grants and Subventions"
Use for State grants that involve State money (not Federal pass-through) without a unique sub-object.

Local Grants

- **49102** "SF Transportation Authority"
Use for grants from the San Francisco Transportation Authority.
- **49999** "Other Local/Regional Grants"
Use for miscellaneous grants from local or regional public agencies.

Gifts & Bequests and Private Grants

- **78101** "Gifts and Bequests"
- **78201** "Private Grants"

A complete list of Sub-objects can be found in FAMIS table 5999.

Grant and Gift Fund Types

Grants and gifts should be managed in the following fund types:

- **Special Revenue Continuing Sub-fund (2S):** Most non-capital and non-enterprise grants. Most non-capital and non-enterprise-Department grants are considered special revenue and their funds should be deposited in the appropriate special revenue (2S) sub-fund. If appropriations are expected to extend beyond one fiscal year, the grant is placed in a "continuing sub-fund" (e.g. 2S/XXX/GNC). "GNC" represents grant-nonproject-continuing.

- General Fund or Special Revenue Annual Fund: Grants that must be entirely expended on a City fiscal year basis.

Entitlement programs such as Temporary Aid to Needy Families (TANF) that must be expended on a City fiscal year basis may be managed through the General Fund (1G) or a Special Revenue (2S) annual sub-fund. Placing these grants in an annual sub-fund ensures that any leftover appropriations at the end of the fiscal year are automatically zeroed out because they cannot be carried over into the next year.

- Grants and gifts to enterprise Departments: 5-series funds, e.g. 5A for Airport, 5C for Clean Water Program, etc.
- Grants and gifts for capital projects: 3C
- Other private grants and gifts: 7E/GIF/GIF

Recognizing Revenues

GASB 33 IMPACT

The principal issue addressed in GASB 33 is the timing of recognition of nonexchange transactions, including expenditure-driven/reimbursement type grants. Previously, revenue for these transactions was recognized when expenditures were made. However, GASB 33 requires that expenditures be made and revenue be available before revenue can be recognized. Available means “the government has collected the revenues in the current period or expects to collect them soon enough after the end of the period to use them to pay liabilities of the current period.” The availability period should be consistent with the time frame currently used for revenue recognition.

Government-mandated nonexchange transactions, such as Federal or State programs that are required of State or local governments, will be recognized when all eligibility requirements are met, as specified in Statement 33. For example, when a recipient is required to incur allowable costs before reimbursement, the incurring of allowable costs is an eligibility requirement. The Statement also distinguishes between two types of stipulations on the use of resources: time requirements and purpose restrictions.

Public agency accounting guidelines require the City to report revenues as soon as they are earned, rather than when they are received. This rule requires separate accounting procedures depending on whether grant funds are disbursed to the City before or after the related expenditures. Gifts are usually treated as revenue as soon as they are received, unless there is a significant possibility that the City might be required to return the gift. If reimbursements are received within the collection period, funds are recorded as revenue. If they are not received within the collection period, funds are recorded as deferred revenue. Deferred revenue is recognized as revenue upon receipt.

Website references: [Accounting and Financial Reporting for Nonexchange Transactions: GASB 33](#) (PDF) <http://www.hud.gov/offices/reac/pdf/account11.pdf>
<http://www.gasb.org/>

Advance grants

- Deposit funds as advance (T/C 724, GL 222 or 223) without recognizing as revenue

When grant revenue is received before expenditures are incurred, it is considered an advance. This means, the City has not yet earned the right to keep the money. If priorities change so that the advance will not be spent on the intended program, the City may be obligated to return the advance to the funding agency. Therefore, when an advance is received, it should not be recorded as "revenue." Deposit advances into general ledger account "grants received in advance" (GL 223) or "subventions received in advance" (GL 222), using transaction code 724. These GL accounts are liability accounts, not reported as revenue.

- Recognize revenue as the advance is spent (T/C 526).

As the advance is spent on eligible costs, departments process an entry to recognize that portion of the advance as revenue, using transaction code 526. Review grants and subventions with advances monthly to post revenue in amounts equal to the eligible expenditures incurred during the previous month.

Reimbursement grants

- As funds are expended, bill grantor and recognize revenues as receivables (T/C 528).

With reimbursement-based grants, we spend the money first, and then apply to the funding agency for reimbursement. Money must be spent on eligible expenditures to earn the reimbursement. To recognize revenues when they are earned, set up a receivable as soon as the funding agency is billed for reimbursement (transaction code 528, GL 120 for ordinary grants or GL 122 for subventions).

- After receiving reimbursement, use transaction code 714 to deposit funds and clear receivable.

When the money actually arrives in the City treasury, use transaction code 714 to deposit the funds in the "Equity in City Treasury-Pooled Funds" account GL 101 and reduce the balance from the receivable account GL 120 or GL 122.

- If grantor denies all or part of claim, reduce receivables (T/C 527) and transfer out ineligible expenditures.

When a grantor denies all or part of a claim, reduce the grant revenue and receivables by the amount denied using transaction code 527. The ineligible expenditures must be moved out of the grant to another Departmental budget. If there is no suitable budget available, discuss with your Controller grants unit contact.

- Set up a receivable for each claim (except for automatic drawdowns where funds are reliably received within days of making the claim).

The Controller's Office prefers that departments set up receivables in FAMIS each time they bill a funding agency and clear those receivables when they receive the reimbursement. This gives a more accurate picture of the City's financial position at any particular time. An exception for this policy may be made for grants with automatic drawdowns, where reimbursements come within a few days of the claim. In those cases, receivables should be set up only to account for any claims outstanding as of the end of the fiscal year (June 30).

Gifts

- Gifts are usually deposited as revenue when funds are received (T/C 718)

Gifts are recognized immediately as revenues when there is little chance that the City would ever have to return the gift. Expenditures are recognized as they occur. This is the one exception to the general rule with grants that revenues must equal expenditures each fiscal year. Revenues should still equal expenditures when the gift account is fully expended and closed out.

- Gifts should be treated as “advance grants” and deposited as advances if there is a significant likelihood that the City might have to return some or the entire gift if conditions are not met.

Clearing Unidentified Receipts

Funds received by the Treasurer may initially be deposited into General Ledger account 248 “Unidentified Receipts.” Departments are responsible for clearing unidentified receipts that relate to their grants within ten business days. The unidentified receipts are cleared as follows:

1. Use Transaction Code 401 to reduce the unidentified receipts. Reference the document number that created the unidentified receipt.
- 2a. For advance-based grants, follow with transaction 444 to increase deferred grant/subvention revenues.
- 2b. For reimbursement-based grants where a receivable was established follow with transaction 446 to decrease grants/subventions receivable. Reference the document number that created the revenue accrual.
- 2c. For reimbursement-based grants where no receivable was established follow with transaction code 408 to increase revenues.

Tip: To view whether unidentified receipts have been fully cleared, view by document number on FAMIS Screen 6050.

V. Grant Expenditures and Procurement Procedures

When a grant award is received, approved either through the Accept & Expend process or the Annual Appropriation Ordinance (AAO), and the budget is set up in FAMIS, the department may begin to expend the grant funds.

Principles for Grant Expenditures:

- All expenditures must be made within the approved budget categories stated in the award.
- A grant budget change of more than 15% of the total grant must be pre-approved by the grantor.
- Indirect costs should be charged to the grant on a regular basis, at least quarterly.

Sub-recipient Monitoring

While the City often directly administers grant funds received, many times the City may designate sub-recipients to provide the grant services. In these cases, the department identified as the “grantee” in a grant agreement is responsible for the overall administration of the grant.

Departments must ensure that grants are administered in accordance with the grantor’s terms and conditions and applicable City & County policies and procedures. In addition, the “grantee” department must ensure that all sub-recipients adhere to the grantor’s term and conditions. A template for writing grant-funded contracts is available on the City intranet, at: [FORMG](#)

Procurement Procedures

- Departments using Federal, State, or local grant funds for procurement may be required to engage in a different procurement process, for example, many Federal grants prohibit geographical preference. Departments must be in full compliance with the grant provisions in the procurement of goods and services when using Federal, State, or local grant funds.
- Departments are responsible to reflect grant conditions and provisions of the governing Federal, State, or local grantors, such as the geographical preference prohibition, in the service contracts, grant agreements with sub-recipients, requisitions, purchase orders, work orders, requests for proposal, etc. Office of Contract Administration (OCA)/Purchasing and the City Attorney’s Office have specific instructions to the departments to make appropriate changes to the model contracts and requests for proposals (RFPs) as necessary.

- Departments, when submitting requisitions or contracts to OCA/Purchasing, are to identify the funding source, provide the requisition or contract with the appropriate additions and deletions in compliance with Federal, State, or local grant fund requirements, and identify the departmental contact person who could answer any questions which Purchasing may have regarding the grant restrictions and provisions. Departments must also identify the funding source in the ADPICS/FAMIS notepad and advise that special requirements may apply.
- Further, departments should identify the funding source (Federal/State/local grant funds or City general fund) of all procurement when submitting interdepartmental work orders. The department requesting the service (“Requesting Department”) must identify the funding source of work order/work authorization to the other city departments who will be performing the service (“Performing Department”). If the funding source comes from a Federal or State agency or local grant, Requesting Departments must provide the pertinent fund requirements to the Performing Departments. Performing Departments reserve the right to advise whether they can or cannot comply with the requirements.
- Given factors such as geographical preference prohibition in certain grant requirements, departments should discuss with the City’s Human Rights Commission (HRC) concerning application of its rules.
- Departments are responsible for ensuring that grant sub-recipients are also in compliance with the grant’s respective procurement requirements.

VI. Analyzing Grants in FAMIS

Departments are required to submit quarterly reconciliation to the Controller's Office Grants Unit for each significant and active grant. See Figure V-1 for a sample reconciliation spreadsheet, which is more detailed than our standard form, and may be more helpful.

Steps to reconcile your grants

- Use Grant Summary Inquiry Screen 6220 to analyze revenues and expenditures. See Figure V-2.
- Use Grant Trial Balance Inquiry Screen 6410 to see cash position, review general ledger accounts, drill down to documents. See Figure V-3. An explanation of the most commonly used general ledger accounts appears in Appendix D.
- GL 101 shows the cash position in City Treasury.
- Do not use index code (Screen 6450) to analyze grants. Relying on the index code information in the Organization Summary Inquiry Screen 6450 to analyze grants may not provide a complete picture.

Advanced Tricks for analyzing old data

- To analyze data prior to fiscal year 2001, use the "FAMISC" archive database. (When entering FAMIS, type "FAMISC" instead of "FAMIS").
- General ledger balances interfaced into the new FAMIS database as of the beginning of fiscal year 2000, were entered in Fiscal Month 00/00. These cannot be viewed in Screen 6410. Instead, use Screen 6870, using fiscal year 00/00, and specify a fund type and GL account affected by the transactions. The ORG field can be left blank.
- Executive Information System (EIS) is here!
A way to view FAMIS data and generate reports is available. The Executive Information System (EIS) displays data in relationship to other data. There are many standard reports that may be useful to you in grant analysis. Contact the Controller's Office Grants Unit for more information.

Figure V-1. Sample Reconciliation Spreadsheet

Reconciliation of FY 2002-03 Expenditure Reports and Drawdowns with FAMIS				
A. Reports to Grantor of FY 02-03 Expenditures				
Date	Report Period	FY 02-03 Exps Reported		
10/15/02	July - Sep 2002	\$700,000		
1/15/03	Oct - Dec 2002	\$350,000		
4/15/03	Jan - Mar 2003	\$1,500,000		
7/15/03	Apr - Jun 2003	\$800,000		
9/15/03	Apr-Jun 2003 Adjustment	\$50,000		
Total FY 02-03 expenditures reported		\$3,400,000		
<i>Note: if grant involves sub recipients that file their own reports, include summary and reconciliation of their reports here.</i>				
B. Revenues Received/Claims to Grantor				
<i>Cash Receipts (CRs) can be found by drilling down in FAMIS Screen 6410 under GL101 at the lowest grant detail</i>				
		Attributable to:		
Date	Cash Receipt #/Collection	Total	FY 01-02 exps	FY 02-03 exps
7/31/02	CR03XXXXXXXXXX	\$650,000	\$650,000	\$0
10/31/02	CR03XXXXXXXXXX	\$750,000	\$50,000	\$700,000
1/31/03	CR03XXXXXXXXXX	\$375,000	\$0	\$350,000
4/30/03	CR03XXXXXXXXXX	\$1,500,000	\$0	\$1,500,000
Total		\$3,275,000	\$700,000	\$2,550,000
Claims for reimbursement of FY 02-03 exps after 6/30/03				
	7/15/03 Receivable/claim billed			\$800,000
	9/15/03 Receivable/claim billed			\$50,000
Total FY 02-03 claims:				\$3,400,000
C. FAMIS FY 02-03 Expenditures, by Grant Detail				
Grant Summary Screen 6220, Year-to-date, Fiscal month 13/03				
Grant Detail	YTD FAMIS Exps	Adjustmts	Adjusted FAMIS Exps	Notes
MOXXXX/02	\$750,000	(\$50,000)	\$700,000	\$50K FY02 exps recorded in FY 03
MOXXXX/03	\$2,700,000	\$0	\$2,700,000	
Total	\$3,450,000	(\$50,000)	\$3,400,000	
D. FAMIS FY 02-03 Revenues, by Grant Detail				
Grant Summary Screen 6220, Year-to-date, Fiscal month 13/03				
Grant Detail	YTD Revs in FAMIS	Adjustmts	Adjusted FAMIS Revs	Notes
MOXXXX/02	\$700,000	\$0	\$700,000	
MOXXXX/03	\$2,700,000	\$0	\$2,700,000	Revs include \$850K receivables
Total Revenues	\$3,400,000	\$0	\$3,400,000	

Figure V-2. FAMIS Screen 6220, Grant Summary Inquiry

```

FAML6220 V4.2      CITY/COUNTY OF SAN FRANCISCO PRODUCTION: FAMIS
01/19/2003
LINK TO:                GRANT SUMMARY INQUIRY                3:00 PM
ACTIVE
BALANCE (Y,M,Q,A) : y          FUNDING PD :          CURRENCY CODE :
FISCAL MO/YEAR   : 09 2003 March 2004      GRANT END DATE:
GRANT            : MYWSPG WEED & SEED PROGRAM GRANT
GRANT DETAIL    : 03      FY02-03 GRANT YEAR
CHARACTER       :
OBJECT CODE     :
FUND TYPE      :
FUND           :
SUBFUND        :
-----
SUBOBJ DESCRIPTION      BUDGET    ACTUAL    REENC/ENC    BALANCE
44939 FEDERAL DIRECT GRANT      87,198    56,642         -30,555
REVENUE TOTAL          81,801    51,245         -30,555
01102 OVERTIME - UNIFORM        27,873    26,152         1,721
01402 SOCIAL SECURITY - ME         518      287           231
01701 UNEMPLOYMENT INSURAN         7
02100 TRAVEL-BUDGET              7,500
02101 TRAVEL COSTS PAID TO       7,802    2,499         5,304
    
```

Figure V-3. FAMIS Screen 6410, Grant Trial Balance Inquiry

```

FAML6410 V4.2      CITY/COUNTY OF SAN FRANCISCO PRODUCTION: FAMIS
01/25/2003
LINK TO:                GRANT TRIAL BALANCE INQUIRY            3:01 PM
ACTIVE
FISCAL MO/YEAR   : 09 2003          CURRENCY CODE :
GRANT            : MYWSPG WEED & SEED PROGRAM GRANT
GRANT DETAIL    : 03      FY 02-03 GRANT YEAR
FUND TYPE      :
FUND           :
SUBFUND        :
PROJECT        :
PROJECT DETAIL :
-----
S ACCT  DESCRIPTION      March 2004    BALANCE
101 EQUITY IN CITY TREASURY-POOL      0.00    -2,000.27
349 RESERVED FOR ENCUMBRANCES        0.00    -18,833.34
379 RESERVE FOR APPROPRIATION (N)     0.00    -81,800.75
381 UNREALIZED ESTIMATED SOURCES     0.00     87,197.75
404 SOURCES-CARRYFORWARDS            0.00    -5,397.00
408 SOURCES-CFWD USE OF UNDESIGN      0.00     49,011.56
411 ACTUAL SOURCES                   0.00    -51,245.31
412 ACTUAL BUDGETARY FUND BALANC      0.00    -5,397.00
424 USES-CARRYFORWARDS                0.00   -43,614.56
431 ACTUAL USES                       0.00     53,245.58
452 APPROPRIATIONS-ALLOTTED          0.00   -43,614.56
459 APPROPRIATION CONTROL-CONTRA     0.00     43,614.56
470 ENCUMBRANCES                     0.00     18,833.34
GRANT DETAIL TOTAL                   0.00         0.00
    
```

Analyzing Appropriation Exceeded Errors

- Check index code in Screen 5300 to review allotment and allocation controls. These controls are usually set at either grant, grant detail 1 or grant detail 2 level. This identifies the level at which FAMIS checks for available appropriation within an index code.
- Review Appropriation Inquiry Screen 6250 (link to Appropriation Detail Inquiry Screen 6260). This screen indicates the amount of appropriation exceeded. Determine whether there is any remaining unallotted or reserved appropriation to fund the expenditures. See Figures V-4 and V-5.
- Use Grant Summary Inquiry Screen 6220 to compare expenditure budget to actual, by grant, grant detail and sub-fund. See Figure V-2 for an example screen. All grant activity should normally take place in a single sub-fund, unless there is a good reason for using more than one. Look for areas where the budget appears to have been exceeded.
- Examine payroll charges to the grant

Grant budget overruns are often traced to excess payroll charges. When payroll is charged to a grant, the expenditures are processed even if the action exceeds the budget. This is to prevent employees from suffering delays receiving their salary. However, grant managers must analyze why the payroll budget is exceeded and correct the situation. Possible reasons for excess payroll charges are:

1. Payroll charges may be charged to the wrong grant. In this case, the Department should act immediately to change their payroll processing instructions and abate the grant charges to the correct location.
 2. The grant budget projections may have been inadequate for the true payroll charges required to staff the grant. In this case the Department must act immediately to do one of the following:
 - a. Reprogram the grant budget to provide more funds for payroll, if allowed by the grant award,
 - b. Obtain additional grant funds from the funding agency,
 - c. Abate the excess payroll charges to other Departmental budgets, or
 - d. Request a supplemental appropriation from the Board of Supervisors to cover the excess payroll charges.
- Check Grant Trial Balance Inquiry Screen 6410 for reserved budgets (General Ledger Account 451). See Figure V-6 for an example of a grant with a reserved appropriation. In this case, the appropriation was reserved until design work is complete and a budget to complete the project can be established.

Figure V-4. FAMIS Screen 6250, Appropriation Inquiry

```

FAML6250 V4.2      CITY/COUNTY OF SAN FRANCISCO PRODUCTION: FAMIS
03/22/2003
LINK TO:          APPROPRIATION INQUIRY
10:17 AM

FISCAL MO/YEAR   : 09 2003 MAR 2003
INDEX CODE      : MYRCDBG
SUB-OBJECT      :

CHARACTER       :
OBJECT CODE     :
FUNDING PERIOD  :
USER CD        :
PROJECT        :
PROJECT DETAIL  :
GRANT          : MOCD03
GRANT DETAIL    : 21

F1-HELP      F2-SELECT      F5-NEXT      F9-LINK
    
```

Figure V-5. FAMIS Screen 6260, Appropriation Detail Inquiry

```

FAML6260 V4.2      CITY/COUNTY OF SAN FRANCISCO PRODUCTION: FAMIS
03/22/2004
LINK TO:          APPROPRIATION DETAIL INQUIRY          1:25 PM
ACTIVE          FISCAL PD : 09 2004 CONTROL TYPE : 84 SFD/DEPT/GRANT/DETL1
FDTP 2S        SPECIAL REVENUE FUNDS FUND CDB          COMMUNITY
DEVELOPMENT
SFND FRC       CDBG-FEDERAL RECURRIN DEPT MYR          MAYOR
GRNT PWF998    03 998 XXX XX          GRDT PWF998ZZ    03 998 XXX XX

MAR 2004      TOTAL      BALANCE
ORIGINAL AAO          .00      951,751.33
REVISIONS TO BUDGET .00     -925,786.37
REVISED BUDGET       .00      25,964.96
RESERVES              .00           .00
UNALLOTTED AMOUNT    .00           .00
ALLOTTED AMOUNT      .00      25,964.96
  EXPENDITURES        .00      25,964.96          .00
  ENCUMBRANCES        .00           .00          .00
  PRE-ENCUMBRANCES    .00           .00          .00

F1-HELP      PRIOR      F5-NEXT      F9-LIN
    
```

Figure V-6. FAMIS Screen 6410 w/ Reserved Appropriation

FAML6410 V4.2		CITY/COUNTY OF SAN FRANCISCO PRODUCTION: FAMIS		05/04/2003
LINK TO:		GRANT TRIAL BALANCE INQUIRY		4:17 PM
ACTIVE				
FISCAL MO/YEAR :	11 2003	CURRENCY CODE :		
GRANT :	RPS008	CHINESE RECREATION CENTER, PROJ. CRP847		
GRANT DETAIL :				
FUND TYPE :				
FUND :				
SUBFUND :				
PROJECT :				
PROJECT DETAIL :				

S ACCT	DESCRIPTION	MAY	2003	BALANCE
379	RESERVE FOR APPROPRIATION (N	0.00		-541,750.00
381	UNREALIZED ESTIMATED SOURCES	0.00		541,750.00
403	SOURCES-OTHER TRANSFERS & AL	0.00		541,750.00
423	USES-OTHER TRANSFERS & ALLOC	0.00		-541,750.00
451	APPROPRIATIONS-RESERVED	0.00		-514,000.00
452	APPROPRIATIONS-ALLOTTED	0.00		-27,750.00
459	APPROPRIATION CONTROL-CONTRA	0.00		541,750.00
	GRANT TOTAL	0.00		0.00
F1-HELP	F2-SELECT	F4-PRIOR	F5-NEXT	
F7-PRIOR PG	F8-NEXT PG	F9-LINK		

Refer to Appendix D "FAMIS General Ledger Accounts Commonly Used by Grants"

VII. Federal Single Audit and Cost Eligibility Guidelines

Background

In 1984, Congress created the "single audit" program. Each fiscal year, all public and non-profit recipients of Federal funds must hire independent auditors to conduct a single audit of all spending of Federal funds. The single audit reports are sent to a Federal clearinghouse and, if problems are found, copies are sent to the associated Federal or State pass-through agency to follow up on corrective action. Federal agencies may not require separate financial audits unless they are willing to pay for them.

In fiscal year 2002-03, the City received about \$550 million for 100 grant and entitlement programs administered by 12 Federal agencies and 14 State pass-through agencies.

The Controller's Office is responsible for contracting with the external auditors and coordinating the audit process. The Controller's Office Grants Unit gives the auditors a report of all Federal expenditures from grants and cooperative agreements incurred in the City's fiscal year, from July 1 to June 30, regardless of the grant schedule. The report sorts the expenditures by grant program, as specified by its 5-digit "CFDA" number from the Catalog of Federal Domestic Assistance. For example, 14.218 is the CFDA # for Community Development Block Grants. The first two digits represent the Federal department: 14 = HUD, 93 = HHS, etc. Some unique cooperative agreements may not have catalog numbers, in which case, the funding department designates them.

The single audit deadline is 9 months after the end of the fiscal year (March 31). The Controller's Office goal is to complete the single audit by February.

If your grants are selected for Audit

If a grant, or a set of grants within a single CFDA number, that has a total expenditure of over \$3 million dollars in a single year, then it grant may be selected for a single audit.

Auditors conduct field-testing of Federal programs, based on the following guidelines:

- Auditors must select field-test programs that include at least 50% of the City's Federal expenditures. If the City can qualify as a "low-risk" auditee, this percentage will drop to 25%.
- Programs with expenditures over \$3 million are called "Type A" programs. Auditors will usually conduct field testing on these programs unless the auditors designate the program "low risk" and have sufficient other programs to meet the 50% total expenditure threshold.
- Programs with expenditures between \$300,000 (increases to \$500,000 for fiscal years ending after December 31, 2003) and \$3 million are called "Type B." After evaluating various criteria, auditors may designate certain of these programs "high risk" and test them as well.
- The Single Audit is a two-part process:
 1. Auditors conduct field tests to test the City's financial management systems and financial control procedures.

2. In the late fall, auditors return to audit the following: if departments submit required progress reports on time, if financial figures in these reports reconcile to FAMIS, if back-up documentation for expenditures claimed are adequate (such as signed time sheets and contractor invoices), etc.

- Auditors test that expenditures are eligible and in compliance with program-specific requirements. Common issues include:
 - Back-up documentation to support expenditures (timesheets, invoices, etc.)
 - Reports to funding agencies reconcile with FAMIS
 - Reports to funding agencies submitted on time
 - Competitive process used to select contractors and sub-recipients
 - Monitoring sub-grantees (site visits, submission of any required sub-grantee reports)
 - Inventory for grant-funded equipment items worth over \$5,000 (including vehicles)
 - Indirect cost rate information on file

OMB Cost Eligibility Guidelines for Federal Grants (OMB A-87)

- Refer to grant agreement and any special funding agency guidelines for specific program requirements on eligible costs.
- OMB A-87 for Federal grants prohibits use of grant funds on certain types of expenditures, including:
 - Alcoholic Beverages
 - Entertainment
 - Campaigning
 - Lobbying
 - Fines & penalties
 - Fund-raising
 - Unspecified contingencies

Web References

- The Catalog of Federal Domestic Assistance (CFDA): <http://www.cfda.gov>.
- OMB Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments," <http://www.whitehouse.gov/OMB/circulars/a087/a087-all.html>
- OMB Circular A-102, "Grants and Cooperative Agreements With State and Local Governments," <http://www.whitehouse.gov/OMB/circulars/a102/a102.html>
- OMB Circular A-110, "Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations," <http://www.whitehouse.gov/OMB/circulars/a110/a110.html>
- OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," <http://www.whitehouse.gov/OMB/circulars/a133/a133.html>

VIII. Indirect Costs

Administrative Code Section 10.170-1(D) requires that every grant budget contain provisions for the reimbursement of indirect costs unless the Board specifically authorizes a waiver for the department.

Any administrative expenses that can be specifically assigned to a particular grant should be budgeted and claimed directly rather than included in an indirect cost base. For example, if a grant program is large enough to require one full-time accounting staff member, that staff person should be billed directly to the grant. Small grants that use an accountant part-time may not be able to bill directly. Also, if a grant program is large enough to occupy a facility or a portion of a facility exclusively, the grant program's share of the facility charges may be billed as direct charges. If grant activities are just one of many activities in a facility, then facility charges are allocated as part of indirect costs.

Indirect costs are general costs of doing business that are difficult to bill directly to a grant, including departmental overhead and Countywide services that support departments. OMB A-87 defines indirect costs as:

- (a) Incurred for a common or joint purpose benefiting more than one cost objective, and
 - (b) Not readily assignable [to a grant]... without effort disproportionate to the results achieved. The term "indirect costs," as used herein, applies to costs of this type originating in the grantee department, as well as those incurred by other departments in supplying goods, services, and facilities.
- Indirect costs are normally billed as a percentage of salaries or total direct costs charged to a grant.

There may be a wide range of appropriate indirect cost rates, depending on the type of activity and base charges they relate to. The County-wide Cost Allocation Plan (COWCAP) allocates certain Countywide support functions to departments (including Human Resources, Board of Supervisors, Retirement System, City Attorney, etc.). This can be the basis of a partial indirect cost rate. However, the full indirect cost that might be charged to a grant could also include departmental overhead, for the grant's share of facility, departmental management and support costs. This is why each department should calculate its own indirect cost rate to get the maximum advantage when indirect costs can be reimbursed.

- Indirect costs must be supported by a plan that shows how they are calculated.

Include indirect costs in all large grant budgets whenever allowable. Grants that prohibit reimbursement of indirect costs may occasionally allow them to be included toward meeting a local matching requirement. Departments should confirm specific indirect cost guidelines with the funding agency.

The Controller's Office Grants Unit is available to assist you with questions about establishing and documenting indirect cost rates. For additional information regarding the State Handbook of Cost Plan Procedures for California Counties, visit the website: <http://sco.ca.gov/ard/manual/costplanhandbook.pdf>

IX. Grant Reconciliation and Close-out

Grant Reconciliation

Basic Principles of Reconciliation

- Grants should be reconciled at least quarterly, by the administering department. Refer to Chapter VI for detailed information of analysis.
- At the end of the grant period, revenues should equal expenditures, revenues and expenditures should reconcile with reports to the funding agency, and all GL balances should be zero.
- All leftover budgets, encumbrances, and receivables should be closed out– see detailed closeout procedures.
- Transfer out all ineligible costs.
If costs incurred were disallowed by the granting agency and will not be reimbursed, the department must identify another account to charge those expenditures. If no existing budget can cover the expenditures, the department must prepare a supplemental budget request to the Board of Supervisors to cover the amount of the ineligible costs.
- Analyze excess revenues to see if they need to be returned to the grantor.
- Expired inactive grants should be analyzed and closed.
The Controller's Office asks that departments analyze and clear the balances on all expired inactive grants. The Controller's Office Grants Unit periodically provides a list of inactive and expired grants to each department and works with each department to reach a consensus on what should happen to the grant balances.
- Keep records on-site at least 3 years following grant closeout or more as required by the granting agency.
Federal OMB guidelines require recipients keep records for 3 years following grant closeout. This does not mean just three years after the end of the grant period. Closeout occurs when a final report is given to the funding agency or the funding agency acknowledges that the grant is closed. For non-Federal grants, check the records retention requirements.

Fiscal Year Close: Revenues should equal Expenditures (except unspent gifts)

Using the GASB 33 & 34 models for reporting of governmental funds, revenues are recognized when earned or accrued when all eligibility requirements have been met, as long as the timing of cash collections (availability) is reasonable, no longer than 60 to 90 days after the fiscal year-end. Similarly, expense/expenditure and a liability are recognized in the period that they were incurred or as soon as all eligibility requirements are met.

- Recognize Expenditures in the fiscal year when services are provided.

Grant-funded payments to contractors and sub-recipients should be posted in the same fiscal year that the expenditures were incurred. If a contractor submits a bill in July 2003 for expenditures incurred in June 2003, the payment for the bill should be processed as of month 12 of fiscal year 02-03.

If a payment belonging to the prior fiscal year is processed in month 1 or 2 of the next fiscal year, the Department should post an additional entry in month 13 of the prior year to accrue the expenditure as a payable, with a next period reversal in month 1. This can be done with transaction code 665, referencing General Ledger Account 202, and "accounts payable." If the expenditure was paid from an encumbrance, follow with transaction code 626.

As it relates to grants:

- Revenue and receivables are recognized 'when all applicable eligibility requirements have been met'. This becomes important at year-end when accruals are done, discussed below. However, it is important to note that revenue should be accrued when the request for reimbursement is sent to the grantor. Revenue should not be recognized in cases of non-reimbursement grants until the grant expenditures have been incurred. Until earned, revenues must be booked as deferred revenues.
- Liabilities must be recognized as soon as they are incurred. This means as soon as the recipient meets all eligibility requirements.

Loan Funds:

- Some grants contain loan funds, that is, the grantor (City) makes loans to grantees and requires that they either repay the loan or a portion of the loan or meet some other requirements to fulfill the terms of the loan.
- At fiscal year-end close, revenues should equal expenditures for all grants and subventions. Not required for gifts.

If grant expenditures exceed revenues, examine the account to check for the following possibilities:

- Additional revenues need to be claimed and accrued as receivables.
- Excess expenditures charged to the grant in error need to be charged to some other Departmental appropriation. If the Department does not have the available budget, they will need to go to the Board with a Supplemental Appropriation request.

If revenues exceed expenditures, one of several possibilities may have occurred, such as:

- Excess revenues may belong to a different grant.
- Excess revenues were recognized in advance of expenditures, so should be reclassified as "advances."
- Some grant expenditures were charged to the wrong account and should be reclassified into the grant.
- Some grant expenditures were recognized in a different fiscal year from the one when the service was provided.
- Excess reimbursement was received and should be returned to the funding agency.

- For reimbursement-based grants, make sure receivables are established for all outstanding eligible expenditures.

In the past, some departments set up receivables at year-end with an automatic reversal of the revenue and receivables in the beginning of the fiscal year (T/C 678). This process should be used only if the associated reimbursements have already been received and posted as revenue in the new fiscal year. Otherwise, transaction code 528 should be used, which does not have an automatic reversal. That way, the receivables will stay on the books until the reimbursement is actually received. Use transaction code 714 to clear the grants receivable balance (G/L 120). For advance-based grants, revenue is recognized as expenditures are incurred (T/C 526).

- Any ineligible expenditure must be transferred out of grants (T/C 406 and T/C 405). If grant expenditures were charged improperly to a grant or were found ineligible by the funding agency, they must be transferred out of the grant fund. The department must find another budget to cover those ineligible expenditures or request a supplemental appropriation from the Board of Supervisors.
- For most gifts, revenues do not need to equal expenditures each fiscal year.

Most gifts are recognized as revenue as soon as the funds are received. Expenditures are booked as they occur. Thus, if the gift is not fully expended in the year it is received, revenues will exceed expenditures during that year, and expenditures will exceed revenues in subsequent years. When the gifts are fully expended, revenues should equal expenditures and the gift detail should be closed out in FAMIS.

An exception is for conditional gifts where there is a significant likelihood that funds would have to be returned if the gift conditions are not met. In such a case, as discussed above, the gift should be treated just like an advance grant, with revenues recognized each fiscal year equal to the eligible expenditures.

Refer to Appendix C for “Basic FAMIS Transaction Codes for use with Grants”

Grant Close out

When all financial activity has been attributed to a grant and/or the grant expiration date is reached, a grant must be closed out. The purpose of the grant close out process is to achieve a final accounting of all revenues and expenditures attributable to the grant and reach a final grant balance. Technically, the close out process adjusts Fund Equity (GL 399) to match Cash (GL 101), and eliminates the Appropriation Reserve (GL 379) and the Unrealized Estimated Sources (GL 381) balances. The Grant Unit of the Controllers Office manages the annual grant close out process at fiscal year-end.

The grant close out works as follows:

- Controller's Office Grant Unit identifies all grants with an end date on or before the end of the prior year and reports this information to the departments.
- Departments review the information and identify completed grants. Any grant that is identified for close out must be reconciled. If there is a remaining balance in the grant, then the grant award should be reviewed to determine if the remainder must be returned to the grantor. If the grant has a spending deficit, then reimbursement needs to be claimed from the grantor, expenditures abated to an appropriate funding source, or other revenue source must be identified to cover the shortfall.

- Departments must complete their reconciliation of the grants, including clearing the grant of any surplus or deficit.
- The 1090 interface program is run to adjust the budgeted amounts for revenues and expenditures to match the actual revenues and expenditures.

The effects of these entries are:

- GL 101 (Equity in the City Treasury – Pooled Funds) is untouched.
- GL 379 (Reserve for Appropriation) is adjusted.
- GL 381 (Unrealized Estimated Sources) is adjusted.
- GL 399 (Unreserved-Available for Appropriation) is adjusted.

After such adjustments, GL 379 (Reserve for Appropriation) and GL 381 (Unrealized Estimated Sources) will have a zero balance and GL 399 (Unreserved-Available for Appropriation) will be the inverse of GL 101 (Equity in City Treasury – Pooled Funds).

The purpose of the grant close out program is to balance the budget and actual revenues and budget and actual expenditures, making Unreserved Available for Appropriation (GL 399) line balance Cash (GL 101). However, **cash surplus or deficit remains in the grant after the close out program is run.** Therefore, after the grant close out, there may be balances in the grant and they will remain in the fund balance until departments act on clearing the balances.

Appendix A: Administrative Code and AAO Grant and Gift Sections

Section 10.170: Grant Accept & Expend Procedures

Section 10.100-305: Gifts up to \$10,000

Section 10.170 of the San Francisco Administrative Code, as amended 9/24/97 by Ordinance no. 391-97

Sec. 10.170. Grant – Application Procedure

(a) Applications for federal, State, or other grants involving any project or program shall be filed on behalf of a department upon the approval by the department head.

(b) For annual or otherwise recurring grants of \$5,000,000 or more, the department head shall submit a resolution articulating the grant application to the Board of Supervisors at least 60 days prior to the grant deadline for review and approval. The department shall provide as supporting documents to the resolution all relevant materials, including but not limited to the funding source's grant criteria, the department's most recent draft of its grant application materials, anticipated funding categories that the department will establish in the subsequent Request for Proposals (RFPs) process, and comments from any relevant citizen advisory body. Should the department fail to submit the resolution and/or supporting documents prior to the 60-day deadline, all funds received through the grant application shall be placed on reserve at the Board of Supervisors.

For applications for annual or otherwise recurring grants of \$5,000,000 or more that anticipate the issuance of Requests for Proposals, the department head shall submit a resolution articulating anticipated funding categories to the Board of Supervisors at least 60 days prior to the issuance of the RFPs for review and approval. The department shall provide as supporting documents to the resolution all relevant materials, including but not limited to the funding source's grant criteria, the department's most recent draft of its grant application materials, and comments from any relevant citizen advisory body. Should the department fail to submit the resolution and/or supporting documents prior to the 60-day deadline, all funds received through the grant application shall be placed on reserve at the Board of Supervisors.

The Board of Supervisors shall approve the resolution before the department head issues the RFPs. Should the Board of Supervisors neither approve nor disapprove a resolution submitted by a department head for review and approval by three business days prior to the issuance date for RFPs, the department head may issue the RFPs.

In exercising its powers of review and approval of the aforementioned grant applications, the Board of Supervisors shall take into account whether, and to what degree, its policy priorities, and those expressed by the Mayor's Office and any applicable citizen advisory bodies, have been addressed.

(c) The provisions of subsection (b) above are not intended to apply to annual or otherwise recurring Department of Homeland Security grants, grants for equipment purchases, or capital grants used only for capital improvements or as authorized by federal or State law.

Sec. 10.170-1. Grant Funds – Acceptance And Expenditure

The acceptance and expenditure of Federal, State, or other grant funds is subject to the approval by resolution of the Board of Supervisors, or by ordinance as required under subsection (b) in the following manner.

- (A) Any department, board, or commission that requests the approval to accept and expend grant funds by the Board of Supervisors shall submit the following documents to the Board prior to its consideration:
1. A proposed Resolution approving the acceptance and expenditure of grant funds, or a proposed ordinance as required under subsection (b), signed by the department head, the mayor or his or her designee, and the Controller.
 2. A completed "Grant Information Form." The Clerk of the Board shall prepare the form; it shall include a Disability Access Checklist, indirect cost recovery, and other information as the Board of Supervisors may require.
 3. A copy of the grant application.
 4. A letter of intent to award the grant or acknowledgement of grant award from the granting agency.
 5. A cover letter to the Clerk of the Board of Supervisors substantially conforming to the specifications of the Clerk of the Board.
- (B) **GRANT FUNDED POSITIONS.** No position funded by a grant shall be authorized or filled unless the classification, duration, and number of positions to be funded by the grant are specifically set forth in an ordinance approving acceptance and expenditure, which ordinance shall also contain appropriate amendments to the annual salary ordinance to reflect the positions proposed to be funded through the grant.
- (C) **RECURRING GRANTS.** Grants that provide funding to departments or programs of the City and County in a recurring manner or continue funding from one year to the next shall be included in the annual budget submission by the department. The departmental budget submission also shall include a budget detail, explanations and substantiation of the grant funding. If the department cannot include recurring grant funds in its annual departmental budget submission, the acceptance and expenditure of a recurring grant shall follow the procedure set forth in paragraph (A) of this section.
- (D) **INDIRECT COSTS.** Every grant budget shall contain provisions for the reimbursement of indirect costs. Such indirect costs provisions shall reimburse the City and County from grant funds for administrative services that are necessary for the administration and performance of the project or program. Every department, office, board or commission shall establish a rate for such indirect costs that is approved by the Controller and fixed in accordance with a directive issued by the Controller. The indirect cost rate shall be included in the grant budget that is submitted to the Board of Supervisors and in the authorizing Resolution.

The receipt and expenditure of grant funds shall not be approved by the Board of Supervisors unless the Controller has certified that provisions for appropriate indirect cost reimbursement is included in the grant budget.

If indirect costs are not allowed by the funding agency, or for other reasons indirect costs cannot be included in the budget, these reasons shall be stated in the authorizing Resolution. Upon approving acceptance and expenditure, the Board of Supervisors may waive the requirement for inclusion of reimbursement of indirect costs.

- (E) **GRANT BUDGET.** Every department, board, commission, agency, or office submitting a budget for a grant of public funds to the Board of Supervisors pursuant to this section shall submit such budget in a format that conforms to and provides the detail substantiation that is required of similar appropriations in the annual budget for the City and County. The mission and goals statement, which is required as part of the annual budget, is not required by this Section for submittal of a grant budget.
- (F) **GRANT BUDGET - REVISION.** A department, agency, or office may reallocate or transfer funds of line item expenditures within an approved grant budget, if such reallocations or transfers are within the total of the approved budget and are allowed by the granting agency. If any line item of a Federal or State grant is modified or increased by more than fifteen percent (15%), copies of documentation of such modification or increase which are transmitted to Federal or State agencies also shall be transmitted to the Board of Supervisors.
- (G) **GRANT – DRAW DOWN OF FUNDS.** Departments, agencies, boards and commissions shall promptly draw down grant funds from a Federal, State, or other funding agency and deposit such funds in the Treasury of the City and County of San Francisco to minimize the displacement of City funds that support grant activities.
- (H) **GRANT – TRANSPORTATION AUTHORITY.** The provisions of this Section shall not be applicable to applications for or expenditure of funds from the San Francisco County Transportation Authority. The Controller shall prescribe rules for the acceptance and expenditure of such funds.

Sec. 10.170-2. Accounting for Grants; Duties of Controller, Officers, Boards Or Commissions

Upon receipt of a Federal, State or other grant, the officer, employer, board or commission authorized to file application therefore pursuant to the provisions of Section 10.170 hereof, shall forthwith notify the Controller of such receipt. The Controller shall keep accounts of all such grants adequate to record the status of any such grant during the life thereof. All officers and employees shall keep such records and render to the Controller such grant reports as the Controller may require to comply with the provisions of this Section.

Sec. 10.170-2.5. Limitations upon Expenditure of Grant Funds

Notwithstanding the provisions of Section 11.1 of Ordinance No. 244-77 (Annual Appropriation Ordinance, Fiscal Year 1977-1978), no Federal, State or other grant funds received by any officer, employee, board or commission pursuant to an application filed in accordance with the provisions of Section 10.170 of this Article shall be expended in whole or in part unless and until such expenditure is approved by the Board of Supervisors.

Sec. 10.170-3. Acceptance of Provisions of Section 13522 of Penal Code...

... [provides assurances regarding peace officer recruitment and training standards required to qualify for State funds]

Sec. 10.100-305. San Francisco Gift Funds (Acceptance of Gifts to City and County not to Exceed \$10,000)

- (a) **Establishment and Use of Funds.** The Board of Supervisors does hereby authorize the creation of category of eight funds or accounts for the purpose of accepting any gift of cash or goods which may from time to time be offered to the City and County of San Francisco through any department, board or commission thereof, for the benefit of the designated department, board or commission and for such purposes within its prescribed legal jurisdiction as may be specified by the donors. The Board of Supervisors does hereby authorize said departments, boards or commissions to receive and to administer such gifts in accordance with the wishes of the donors. All such gifts will be promptly reported to the Controller.
- (b) **Exceptions to Fund Category.** The acceptance or expenditure of any gift of cash or goods of a market value greater than \$10,000 shall require approval of the Board of Supervisors, by Resolution.
- (c) **Administrative Provisions.** Each department, board and commission accepting gifts authorized hereunder shall furnish to the Board of Supervisors annually within the first two weeks of July a report showing such gifts received, the nature or amount of said gifts, and the disposition thereof (Added by Ord. 316-00, File No. 001911, App. 12/28/2003).

***FY 2003 Annual Appropriation Ordinance (AAO) SECTION 11.1
Special and Trust Funds Appropriated***

Whenever the City and County of San Francisco shall receive for a special purpose from the United States of America, the State of California, or from any public or semi-public agency, or from any private person, firm or corporation, any moneys, or property to be converted into money, the Controller shall set up on the books of his office a special fund or account evidencing the said moneys so received and specifying the special purposes for which they have been received and for which they are held, which said account or fund shall be maintained by the said Controller as long as any portion of said moneys or property remains.

Recurring grant funds which are detailed in departmental budget submissions and approved by the Mayor and Board of Supervisors in the annual budget shall be deemed to have met the requirements of Administrative Code Section 10.170 for the approval to apply for, receive and expend said funds and shall be construed to be funds received for a specific purpose as set forth in this section. Positions specifically approved by granting agencies in said grant awards may be filled as though said positions were included in the annual budget and annual salary ordinance, provided however that the tenure of such positions shall be contingent on the continued receipt of said grant funds. Individual grants may be adjusted by the Controller to reflect actual awards made if granting agencies increase or decrease the grant award amounts estimated in budget submissions.

Each department of the City and County of San Francisco, which in the normal operations under its power and duties is by law and upon deposit of moneys by persons, firms, or corporations authorized to perform certain services for and at the cost and expense of said persons, firms or corporations is hereby authorized to perform similar services for the United States of America, the State of California, or any division or agency of either, upon receipt of a legal and proper order or contract to pay to the City and County of San Francisco the full cost and expense of performing the required services upon completion thereof. City owned public utilities may with approval of the Controller perform such services for privately owned public utilities in the manner provided in this paragraph.

The expenditures necessary from said funds or said accounts as created herein, in order to carry out the purpose for which said moneys or orders have been received or for which said accounts are being maintained, shall be approved by the Controller and said expenditures are hereby appropriated in accordance with the terms and conditions under which said moneys or orders have been received by the City and County of San Francisco, and in accordance with the conditions under which said funds are maintained.

Appendix B: Grant Resolution Package

Includes:

- B-1 Grant Accept and Expend Resolution Checklist
- B-2 Sample Cover Memo
- B-3 Grant Information Form
- B-4 Resolution Template and Sample Resolution

Note: These documents are also available to download from the CityCenter intranet web site. To access them, click on "Forms Center" and download the "Grants Package."

B-1. Grant Accept and Expend Resolution Checklist

Grant Accept and Expend Resolution Checklist

Prepared by the Clerk of the Board of Supervisors, 1/5/00
(Administrative Code Sections 10.170-10.170-6)

Grant Accept and Expend Resolutions are used to obtain Board spending authorizations for grants that were not included in the Department's annual budget appropriation. Departments may apply for grants without getting prior authorization from the Board of Supervisors. However, accepting and spending all grant funds (and all gifts over \$5,000) requires Board approval.

Procedure

Submit **1 original and 4 copies** of the grant resolution package to the Clerk of the Board of Supervisors by Wednesday noon, in order to be considered on the next week's Board agenda for referral to a Committee. The grant resolution package must include:

1. **Cover letter** addressed to the Clerk of the Board transmitting the proposed resolution and all background material. See accompanying Sample Cover Letter for format.
2. **Proposed Resolution** authorizing the acceptance and expenditure of grant funds, signed by the
 - a. Department Head
 - b. Mayor or Mayor's designee (obtaining signature is handled by the Mayor's Finance Office)
 - c. Controller or Controller's designee (obtaining signature is handled by the Controller's Grants Unit)

The original copy of the Resolution must be on red-lined paper and must have signatures prior to being submitted to the Clerk. The four copies need not be signed.

See accompanying Sample Resolution Template for the resolution format.

3. **Grant Information Form (this now includes Disability Checklist)**. The original copy should be signed prior to submittal.
4. **Grant budget**, including expenditures by budget category and number of grant-funded positions, their classification and duration, as applicable.
5. **Copy of Grant Application** to funding agency.
6. **Copy of award letter** from funding agency, or letter of intent to award the grant.

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Timeline

Under normal circumstances, allow at least 4 weeks after submittal for Accept and Expend Resolutions to be reviewed by the Board of Supervisors and signed by the Mayor. The process is as follows:

1. **Mayor's Office review:** submit resolution package with Department Head's signature to Mayor's Office of Finance and Legislative Affairs for review and signature.
2. **Controller's Office review:** Submit package signed by Department Head and Mayor's office to Controller's Office grants unit for Controller's signature.
3. **Submit to Clerk of Board of Supervisors by Wednesday noon:** Provide original and four copies to Clerk by Wednesday noon in order for the resolution to appear on the next week's Board agenda for referral to Committee.
4. **Committee review:** If approved by Committee, will be recommended to the full Board. It will appear on next available Board agenda, which may be one or two Mondays after the Committee meeting.
5. **Board of Supervisors Review:** If approved by Board of Supervisors, will be forwarded to Mayor for signature.
6. **Mayor's Signature:** Mayor has 10 calendar days to sign and return the resolution to the Clerk. It is then numbered, copied and distributed.

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Special Timeline Requirements: If you have special timeline requirements you must state them in the cover letter so that the Clerk's office will be aware of your needs. We will do what we can to assist you... the key operative is "**Start the process early!**"

Copies of the Adopted Resolution: If you need to have a copy of the adopted Resolution to send to a funding agency, you may request a "Certified Copy" which is signed, dated, and has the seal of the City/County affixed or you may request a copy which will be an official copy without the seal.

B-2. Sample Cover Memo

TO: Gloria L. Young, Clerk of the Board of Supervisors
FROM:
DATE:
SUBJECT: Accept and Expend Resolution for Subject Grant
GRANT TITLE:

___ Grant application
___ Grant award letter from funding agency
___ Other (Explain):

Special Timeline Requirements:

Departmental representative to receive a copy of the adopted Resolution:

Name: _____ **Phone:** _____
Interoffice Mail Address: _____
Certified copy required Yes **No**

(Note: certified copies have the seal of the City/County affixed and are occasionally required by funding agencies. In most cases ordinary copies without the seal are sufficient).

B-3. Grant Information Form

File Number: _____

(Provided by Clerk of Board of Supervisors)

Grant Information Form

(Effective January 2000)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. Grant Title:

2. Department:

3. Contact Person:

Telephone:

4. Grant Approval Status (check one):

Approved by funding agency

Not yet approved

5. Amount of Grant Funding Approved or Applied for: \$

6a. Matching Funds Required: \$

b. Source(s) of matching funds (if applicable):

7a. Grant Source Agency:

b. Grant Pass-Through Agency (if applicable):

8. Proposed Grant Project Summary:

9. Grant Project Schedule, as allowed in approval documents, or as proposed:

Start-Date:

End-Date:

10. Number of new positions created and funded:

11. If new positions are created, explain the disposition of employees once the grant ends?

12a. Amount budgeted for contractual services:

b. Will contractual services be put out to bid?

c. If so, will contract services help to further the goals of the department's MBE/WBE requirements?

d. Is this likely to be a one-time or ongoing request for contracting out?

13a. Does the budget include indirect costs? Yes No

b1. If yes, how much? \$

b2. How was the amount calculated?

c1. If no, why are indirect costs not included?

Not allowed by granting agency To maximize use of grant funds on direct services Other (please explain):

c2. If no indirect costs are included, what would have been the indirect costs?

14. Any other significant grant requirements or comments:

****Disability Access Checklist****

15. This Grant is intended for activities at (check all that apply):

- Existing Site(s) Existing Structure(s)
- Existing Program(s) or Service(s) Rehabilitated Site(s)
- Rehabilitated Structure(s) New Program(s) or Service(s)
- New Site(s) New Structure(s)

16. The Departmental ADA Coordinator and/or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local access laws and regulations and will allow the full inclusion of persons with disabilities, or will require unreasonable hardship exceptions, as described in the comments section:

Comments:

Departmental or Mayor's Office of Disability
Reviewer: _____

(Name)

Date Reviewed: _____

Department Approval:

(Name) (Title)

(Signature)

B-4. Resolution Template and Sample Resolution

Grant Resolution Template Instructions

Templates are pre-designed documents into which you can put specific information to meet a particular need. In this case, a grant Resolution template was created for you to use over and over, which should save you work-time by helping you avoid recreating an entire document each time you need to submit a grant.

To use your newly created template, open the grant Resolution template file; click on the first gray box and start typing. As you type, the gray area disappears and your text appears. Click on and type the appropriate information in each Gray box.

In several areas, instructions advise you to enter information or delete the whole paragraph. This is because each grant requires some individual modification; therefore, you may not need to supply all the various types of information requested in the template. You also may need to add your own “whereas”, “resolved” or “further resolved paragraph” if you need more paragraphs than are supplied in the template. See the various hard copy samples supplied for ideas on how to compose your Resolution.

Also, the Administrative Code sets a policy that departments should normally include eligible indirect costs in grant budgets, and requires that Grant Accept and Expend Resolutions discuss the treatment of indirect costs in the grant. Accordingly, a paragraph appears in the template that asks you to include information on indirect costs. We offer three alternative examples of language that you may choose to insert for this paragraph as needed:

1. If indirect costs are ineligible, you can state:
 - **“Whereas, The grant terms prohibit including indirect costs in the grant budget; now, therefore, be it”**
 - **“Further Resolved, That the Board of Supervisors hereby waives inclusion of indirect costs in the grant budget.”** (This Resolved paragraph must follow the first Resolved paragraph authorizing action or authority for the grant.)
2. If indirect costs are eligible, but are waived to maximize funds for program use, you can state:
 - **“Whereas, The Department proposes to maximize use of available grant funds on program expenditures by not including indirect costs in the grant budget; now, therefore, be it”**
 - **“Resolved, That the Board of Supervisors hereby waives inclusion of indirect costs in the grant budget.”** (This Resolved paragraph must follow the first Resolved paragraph authorizing action or authority for the grant.)

3. If indirect costs are included, you can state:

- **“Whereas, The grant budget includes provision for indirect costs of \$(insert amount) now, therefore, be it”** Please note: If you do have indirect costs you do not need a separate resolved statement authorizing them (as you do with the prohibited and waived costs); you would simply continue with your Resolution making the next paragraph your first resolved paragraph:

Example: “RESOLVED That (Type your resolved text explaining the authority for your request) and be it” Continue with another Further Resolved until you have finished the Resolution.

We also recommend that the following language be included in the resolution for grants not creating any new position:

“Whereas, the grant does not require an ASO amendment;”

You leave blank the File No. and Resolution No. areas in the heading at the top of the page. The Clerk of the Board’s office fills them in later.

Finally, don’t forget to add the name of your department to the bottom (footer) of the template when you are filling it out. The department name can be added as follows:

1. Click on **View** on your toolbar.
2. Click on **header and footer** from the drop down list. A header/footer toolbar opens to provide access to the footer area.
3. Click on the **first button on the toolbar which says “Switch between header and footer”** to open the footer area.
4. You can **now type in the name of your department.**
5. Click the **close button** on the header footer toolbar to finish and get back into the template.

When you are finished creating your Resolution, print out the template and CHECK IT CAREFULLY for any spelling, punctuation or spacing errors.

Original Resolutions must be printed on red line paper available through Reproduction Services.

Save your document in whatever file folder your office chooses to use.

FILE NO. _____ **RESOLUTION NO.** _____

[Accept-Expend (Type - Federal or State) Grant]

AUTHORIZING THE DEPARTMENT OF (TYPE YOUR DEPARTMENT'S NAME) TO (TYPE RETROACTIVELY OR DELETE) ACCEPT AND EXPEND A GRANT IN THE AMOUNT OF \$(TYPE THE AMOUNT) FROM THE (TYPE THE NAME OF THE GRANTING AGENCY)FOR (TYPE -THE PURPOSE OF THE GRANT).

WHEREAS, (Type explanatory text to explain the purpose of the grant); and,

WHEREAS,(Continue to outline a specific need or restriction covered by grant OR delete this whole paragraph); and,

WHEREAS,(Continue outlining specifics of grant request OR delete this whole paragraph); and,

WHEREAS, the grant does not require an ASO amendment; and,

WHEREAS,(Following template instructions, enter one of 3 alternative indirect costs statements); now, therefore, be it

RESOLVED, That (Type your resolved paragraph if indirect costs are prohibited or waived OR If indirect costs are included, delete this paragraph and make the next paragraph your first resolved paragraph); and be it

FURTHER RESOLVED, That (Type your resolved text explaining the authority for your request); and be it

FURTHER RESOLVED, That (Continue outlining any additional authority provisions for your request OR delete this whole paragraph); and be it

FURTHER RESOLVED, That (Type a clarifying sentence explaining any specific restrictions or agreements on how the funds will be used OR delete this whole paragraph); and be it

FURTHER RESOLVED, That(Explain any waiver agreements OR wrap up your request).

Recommended:

Approved: _____

Mayor

Department Head

Approved: _____
Controller

Sample Resolution (slightly modified from original)

FILE NO. _____

RESOLUTION NO. _____

[Accept and Expend State Tire Recycling Grant]

RESOLUTION AUTHORIZING THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT TO ACCEPT AND TO EXPEND UP TO \$25,000 IN TIRE RECYCLING GRANT FUNDS FROM THE CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD (CIWMB)

WHEREAS, It is in the best interest of the City and County of San Francisco to promote waste prevention, reuse and recycling throughout the City and to reduce the amount of material that is landfilled; and;

WHEREAS, The people of the State of California have enacted Assembly Bill 1843 (W. Brown, Chapter 974, Statutes of 1989) that provides grants to local governments for the purpose of diverting tires from landfill disposal and for recycling used tires by fostering new business enterprises for such purpose; and,

WHEREAS, The California Integrated Waste Management Board has been delegated the responsibility for the administration of the program within the State of California, and grant funds are available from the California Integrated Waste Management Board for projects relating to tire recycling; and,

WHEREAS, the grant does not require an ASO amendment; and,

WHEREAS, the CIWMB does not allow use of grant funds on indirect costs; now, therefore be it

RESOLVED, that the Board of Supervisors hereby authorized the Director of the Mayor's Office of Community Development to accept and expend, a tire recycling grant of up to \$25,000 from the California Integrated Waste Management Board to fund projects relating to the installation of rubber matting made from recycled tires in playgrounds located in the City and County of San Francisco; and, be it

FURTHER RESOLVED, that the Board of Supervisors hereby waives inclusion of indirect costs in the grant budget.

FURTHER RESOLVED, That the Director of the Mayor's Office of Community Development is hereby authorized and empowered to execute, deliver and perform, in the name of the City and County of San Francisco, all applications, contracts, agreements, amendments and payment requests necessary for the purpose of securing such tire recycling grant funds and to implement and carry out the purposes specified in the applicable grant application.

XXXXXX
Director, Mayor's Office of
Community Development

Mayor

Controller

Appendix C: Common FAMIS Transaction Codes used in Grants

These are the most common grant and subvention transactions. Special circumstances may require other transactions. A complete list of transaction codes can be found through the FAMIS Transaction Code screen 5400. The Controller's Office Grants Unit is available to assist departments with any questions.

Each transaction title is followed by the General Ledger accounts debited ("D-" and credited ("C-"), shown as "D-XXX, C-XXX. For example, Transaction 408, "Adjustment to increase revenue account D-101, C-411" means that General Ledger account 101 (Equity in City Treasury) is debited, and account 411 (Actual Sources) is credited.

Contents

I. Budgets

- A. Revenue budgets
- B. Expenditure budgets

II. Revenues: Deposits, Receivables, Advances

- A. Initial deposits
- B. Recognizing Unidentified Receipts
- C. Accruing receivables
- D. Recognizing advances as revenue

III. Encumbrances

IV. Expenditures

V. Operating Transfers

- A. Budget
- B. Actual

I. Budgets

Budgetary entries should always be balanced so that 49B balances are cleared within the grant and within the sub-fund. These are normally balanced by setting up equal increases or decreases in revenue and expenditure budgets within a grant.

A. Revenue Budgets

- 061** Other increase to estimated revenue (D-403 & 381, C-49B & 399).
(If this is not followed by a matching 062 or 072 **in the same grant and subfund**, it must be followed by transaction **088** to clear the 49B budgetary clearing account balance).

- 062** Other decrease to estimated revenue (D-49B & 399, C-403 & 381).
(If this is not followed by a matching 061 or 073 in the same grant and subfund, follow with transaction 089 to clear the 49B budgetary clearing account balance).

B. Expenditure Budgets

- 072** Other increase to allotted expenditure appropriation (D-49B & 399, C-423 & 379).
(If this is not followed by a matching 061 or 073 in the same grant and subfund, follow with transaction 089 to clear the 49B budgetary clearing account balance).
- 073** Other decrease to allotted expenditure appropriation (D-423 & 379, C-49B & 399).
 Generates **097** (D-452, C-459).
*(If this is not followed by a matching 062 or 072 in the same grant and subfund, follow with transaction 088 to clear the 49B budgetary clearing account balance).
 (If the expenditure appropriation was initially created in the current year's AAO, check whether the entire appropriation has been allotted or not (see Screen 6410, GL 452 for the current year expenditure budget allotment). If some of the expenditure appropriation has not yet been allotted, use Transaction Code 071 to reduce the unallotted portion. Use 073 only for the allotted portion)*
- 074** Other increase to performing department inter-departmental recovery appropriation (to create work order recovery budget) (D-423 & 379, C-49B & 399)
(If this is not followed by a matching 072 or 075 in the same grant and subfund, follow with transaction 088 to clear the 49B budgetary clearing account balance).
- 075** Other decrease to performing department inter-departmental recovery appropriation (to reduce work order recovery budget) (D-49B & 399, C-423 & 379)
(If this is not followed by a matching 073 or 074 in the same grant and subfund, follow with transaction 089 to clear the 49B budgetary clearing account balance).

II. Revenues: Deposits, Receivables, Advances

A. Initial Deposits

- 701** Cash receipts deposited directly by department to City's Pooled Deposit Account (Bank No. 1051). If unidentified, follow with transaction **712**. If applied against receivable, use **714**. If identified as an advance, follow with **724**. If directly recognized as revenue with no prior receivable, follow with **718**. If abatement of an expenditure (use only when it is a genuine refund of an overpayment), follow with transaction **716**.
- 703** Cash receipts deposited directly by department to any bank accounts (except 1051), and through the Treasurer's window. Should be followed by the same transactions as **701**.
- 712** Undistributed cash receipts (D-101, C-248)
- 714** Receipts applied to receivables with subsidiary (use GL 120 for grants, 122 for subventions). (D-101, C-120, or C-122).

- 716 Receipts applied as abatement/refund of expenditures (D-101, C-431). Use rarely, only when it is a genuine refund of an overpayment.
- 718 Receipts increasing revenues (D-101, C-411).
- 724 Receipts increasing deferred revenues (advances) with subsidiary (use GL 222 for subventions, GL 223 for grants) (D-101, C-222 or 223).

B. Recognizing Unidentified Receipts

- 401 Adjustment to decrease unidentified receipts (D-248, C-101). Follow with:
- 408 Adjustment to recognize revenue (D-101, C-411), or
- 446 To apply against receivable (D-101, C-120 or 122), or
- 444 To recognize as an advance (D-101, C-222 or 223).

C. Accruing Receivables (GL 120 for Grant, GL 122 for Subvention, 155 for Loans)

- 528 Increase periodic accrual of grant, subvention and allocated revenue (D-120 or 122, C-411). Document requires GL account to be specified (120 or 122) and subsidiary (can use YEACCR as default if do not have special one). Note: use when claims are submitted or to accrue receivables at year-end or for other reports. When revenue received, use transaction 714.

(In the past, departments have often used transaction code 678, which has an automatic next period reversal. This is no longer recommended except in cases where the funds have already been received and deposited as revenue in a new fiscal year while the receivable is being accrued in the prior fiscal year for year-end reporting purposes. In other cases, the receivable should remain outstanding until the funds are received and deposited using transaction code 714.)

- 527 Decrease periodic accrual of grant, subvented, and allocated revenue (D-411, C-120 or 122).
- 553 “Debit G/L acct w/ subsidiary and credit G/L acct coded in Bank Field”). Use for accruing loans receivable, with G/L account 155 (loans receivable) and subsidiary, and in Bank Field, insert “265” to credit G/L 265, “grant fund reserve for loans receivable.”

D. Recognizing advances as revenue (GL 222 for Grant, GL 223 for Subvention)

- 526 Increase recognition of deferred grants/subvention (D-222 or 223, C-411)
- 525 Decrease recognition of deferred grants/subvention (D-411, C-222 or 223)

III. Encumbrances

- 140 Establish a non-ADPICS encumbrance (D-470, C-349)
- 141 Increase a non-ADPICS encumbrance (D-470, C-349)
- 142 Decrease a non-ADPICS encumbrance (D-349, C-470)
- 145 Establish an inter-departmental type of encumbrance (D-470, C-349)
- 147 Increase an inter-departmental type of encumbrance (D-470, C-349)
- 148 Decrease an inter-departmental type of encumbrance (D-349, C-470)
- 149 Reclass an inter-departmental type of encumbrance (D-470, C-349)
- 151 Add a suffix to a non-ADPICS encumbrance (D-470, C-349)
- 155 Add a suffix to an interdepartmental type of encumbrance (D-470, C-349). Can be submitted only by Controller's office.

IV. Expenditures

- 210 Establish a vouchers payable/direct expenditures (D-431, C-201)
- 215 Establish a vouchers payable/encumbered expenditures (D-431, C-201)
- 405 Adjustment to increase expenditure account (D-431, C-101)
- 406 Adjustment to decrease expenditure account (D-101, C-431)
- 450P/F Increase encumbered inter-departmental services expenditures (to charge requesting department on existing work order. The system will generate TC 158 to liquidate work order encumbrance). If partial billing, use "P." If full billing, use "F." Document reference = work order number. (D-431, C-101)
- 455 Increase direct inter-departmental services expenditures (to charge requesting department by journal entry when no work order issued). (D-431, C-101)
- 466 Abatement of expenditures for inter-departmental services rendered (to abate expenditures of the performing department) (D-101, C-431)

Year-end adjustment to accrue accounts payable with next-period reversal

- 665 Increase expenditure/credit GL account w/o subsidiary (D-431, C-202 with automatic next period reversal, D-202, C-431). Post this entry to Month 12 or 13 if a payment to cover prior year services was erroneously processed in the current year (e.g., an invoice by a subgrantee for June activities is received by the City in August and posted to Month 1 or 2 of the current year instead of posting it as of Month 12 or 13 of the prior year when the services were rendered). To show the expenditures in the correct year, this entry accrues the accounts payable in Month

12 or 13, with a next period reversal in Month 1 of the current year. If the expenditure was paid from an encumbrance, follow with transaction code 626.

- 626** Reduce year-end encumbrances (D-349ADJ, C-471 with automatic next period reversal, D-471, C-349ADJ).

V. Operating Transfers

(Note: For grants, work with the Controller's Grants Unit to obtain unique user code and index codes for each operating transfer)

A. Budget

- 063** Other increase to estimated budgetary transfers in (D-403 & 381, C-49B & 399)
- 064** Other decrease to estimated budgetary transfers in (D-49B & 399, C-403 & 381)
- 076** Other increase to budgetary transfers out appropriation (D-49B & 399, C-423 & 379)
- 077** Other decrease to budgetary transfers out appropriation (D-423 & 379, C-49B & 399)

B. Actual

- 415** Adjustment to increase transfers out (D-431, C-101)
- 416** Adjustment to decrease transfers out (D-101, C-431)
- 417** Adjustment to decrease transfers in (D-411, C-101)
- 418** Adjustment to increase transfers in (D-101, C-411)

Appendix D: FAMIS General Ledger Accounts Commonly Used by Grants

1. Background: Basic Terms

Assets: Resource that has the potential for providing a future economic benefit. This includes cash, receivables (funds that others are obligated to pay the organization), and items that could be sold to provide cash.

Current Assets: Cash and other assets expected to be realized as cash or sold or used during the current operating cycle (usually fiscal year).

Investments: Long-term investments that are not expected to be converted to cash within the current fiscal year.

Fixed Assets: Property and equipment that is long-lived, is expected to be used for a long time, and are not expected to be resold.

Liabilities: Amounts owed and other obligations.

Equity: Balance left over when after subtracting liabilities from assets.

Debit (as a verb): Increase an asset or decrease a liability.

Credit (as a verb): Decrease an asset or increase a liability.

Normal Balance: Positive (debit) for asset accounts, and negative (credit) for liability and equity accounts. (This allows the sum of all accounts to add up to zero). A positive amount change in an asset account is a debit, representing an increase in the asset. A negative amount change in a liability or equity account is a credit, representing an increase in the liability or equity.

2. Selected FAMIS General Ledger (GL) Accounts

GL Accounts 100 – 149: Current Assets

The sum of these GL accounts tell us the total assets assigned to the grant, project, fund, or index code you are looking at. This is the sum of cash, investments, and receivables. Note that assets are defined as “resources that have the potential for providing a future economic benefit.”

101 Equity in City Treasury – Pooled Funds: Cash in a pool centrally managed by the City Treasurer and invested in financial institutions.

Normal Balance: Debit (positive). A positive balance indicates CCSF has cash on hand credited to this account. A negative balance indicates that the account has a negative cash position—it has borrowed from the City Treasury.

Subsidiary Account Required: No.

120 Grants Receivable and 122 Subventions Receivable: Grants and subvention funds owed to the organization for services already performed.

Normal Balance: Debit (positive). A positive balance indicates the fund or program is owed grant or subvention funds for reimbursement of services performed. A negative balance indicates an accounting error.

Subsidiary Account Required: Yes.

GL Accounts 151-169, Assets Not Available for Appropriation

155 Loans Receivable: Outstanding principal balances on loans issued by CCSF. Requires a subsidiary.

Normal Balance: Debit (positive). A positive balance indicates CCSF is owed repayments on the principal from loans it has issued. A negative balance indicates an accounting error.

Subsidiary Account Required: Yes.

161 Advances: Advance issued by CCSF to an outside organization in return for future services.

Normal Balance: Debit (positive). A positive balance indicates the fund or program has received advances. A negative balance indicates an accounting error.

Subsidiary Account Required: Yes.

GL Accounts 201-259 Current Liabilities

201 Vouchers Payable: Checks in preparation to be issued by CCSF.

Normal Balance: Credit (negative): A negative balance indicates checks in preparation but not yet issued. A positive balance indicates an accounting error.

Subsidiary Account Required: No.

202 Accounts Payable: Amount owed by CCSF

Normal Balance: Credit (negative). A negative balance indicates the amount owed by CCSF. A positive balance indicates an accounting error.

Subsidiary Account Required: No.

222 Subventions Received in Advance and 223 Grants Received in Advance: Subvention or grant revenue received prior to the associated activities being performed.

Normal Balance: Credit (negative). A negative balance indicates balances of advances received for activities not yet performed. A positive balance indicates an accounting error.

Subsidiary Account Required: Yes.

248 Unidentified Receipts: Funds received which have not been identified yet. This is a liability because we do not know whether CCSF is entitled to the funds or not until they have been identified. These must be cleared as soon as possible.

Normal Balance: Credit (negative). A negative balance indicates funds received that have not been earned and may need to be returned if conditions are not satisfied. A positive balance indicates an accounting error.

Subsidiary Account Required: No.

249 Deferred Credits

Normal Balance: Credit (negative). A negative balance indicates receipts that have not been earned and may need to be returned if conditions are not satisfied. A positive balance indicates an accounting error.

Subsidiary Account Required: Yes.

Fund Equity 300 – 399

349 Reserved for Encumbrances

Normal Balance: Credit (negative). A negative balance indicates outstanding encumbrances. A positive balance indicates an accounting error.

Subsidiary Account Required: No.

379 Reserve for Appropriation (net of encumbrances)

Normal Balance: Credit (negative). A negative balance indicates unused and unclaimed expenditure budget at the beginning of the fiscal year. The balance is automatically updated in fiscal month 14 to reflect changes during the fiscal year. A positive balance indicates an error.

Subsidiary Account Required: No.

381 Unrealized Estimated Sources

Normal Balance: Debit (positive). A positive balance indicates unrealized revenue budget at the beginning of the fiscal year. The balance is automatically updated in fiscal month 14 to reflect changes during the fiscal year. A negative balance indicates an error.

Subsidiary Account Required: No.

399 Unreserved-Available for Appropriation

Normal Balance: Credit (negative). A negative balance indicates the amount of surplus available assets plus unrealized budgeted revenue over the existing unused and unencumbered expenditure budget. This amount should be available for appropriation. A positive balance indicates the amount by which the remaining expenditure budget exceeds total assets and unrealized expected revenue.

Subsidiary Account Required: No.

Budgetary and Operating Accounts, 400-499

These contain balances for the current fiscal year, and are closed out to fund equity accounts in the year-end close, FAMIS fiscal month 14. No subsidiary accounts are required for this group.

401 Sources – AAO Budget

Normal Balance: Debit (positive). Positive balance indicates revenue budget in the current fiscal year annual appropriation ordinance (AAO). Negative balance indicates an anomaly.

Closed out to: GL account 49A.

403 Sources – Other Transfers and Allocations

Normal Balance: Debit (positive). Positive balance indicates current fiscal year increases in the revenue budget outside of the AAO. Negative balance indicates decreases in the revenue budget in current fiscal year. .

Closed out to: GL account 49B.

411 Actual Sources

Normal Balance: Credit (negative). Negative balance indicates actual revenues recorded in the current fiscal year. Positive balance indicates a revenue adjustment decreasing revenues in the current fiscal year.

Closed out to: GL account 381.

421 Uses-AAO Budget

Normal Balance: Credit (negative). Negative balance indicates expenditure budget created in the current fiscal year annual appropriation ordinance (AAO). Positive balance indicates an anomaly.

Closed out to: GL account 49A.

423 Uses-Other Transfers and Allocations

Normal Balance: Credit (negative). Negative balance indicates expenditure budget created outside of the current fiscal year annual AAO (for example, through an “Accept and Expend” or Supplemental Resolution, or through a transfer of expenditure budget from one account to another. Positive balance indicates a reduction in the current year expenditure budget for the accounts.

Closed out to: GL account 49B.

431 Actual Uses

Normal Balance: Debit (positive). Positive balance indicates actual expenditures (uses) recorded in the current fiscal year. Negative balance indicates an adjustment in the current fiscal year decreasing (abating) expenditures.

Closed out to: GL account 379.

451 Appropriations-Reserved

Normal Balance: Credit (negative). Negative balance indicates expenditure budget added during the current fiscal year that has been reserved by the Board of Supervisors or the Controller so that the budget cannot be expended until specified conditions are met and the reserve is lifted. Positive balance indicates an accounting error.

Closed out to: GL account 459.

452 Appropriations-Allotted (matches GL Accounts 421+423-451)

Normal Balance: Credit (negative). Negative balance indicates total expenditure budget added during the current fiscal year that is available to be expended. Positive balance indicates a net reduction in the available expenditure budget during the current fiscal year.

Closed out to: GL account 459.

459 Appropriation Control-Contra Accounts (offsets GL 451 and 452)

Normal Balance: Debit (positive). Positive balance indicates total expenditure budget added during the current fiscal year. Negative balance indicates a net reduction in the expenditure budget during the current fiscal year.

Closed out to: GL accounts 451 and 452.

470 Encumbrances

Normal Balance: Debit (positive). Positive balance indicates net unliquidated encumbrances established during the current fiscal year. Negative balance indicates an adjustment reducing an encumbrance (not through a liquidation) in the current fiscal year.

Closed out to: GL account 379.

49A Budgetary Clearing-AAO

Normal Balance: Debit (positive). Used for year-end clearing of balances in AAO budgetary GL Accounts 401 and 421.

49B Budgetary Clearing-Other

Normal Balance: Debit (positive). Used for year-end clearing of balances in budgetary GL Accounts 403 and 423.