

APPROPRIATED FEDERAL FUNDS (IN THE BUDGET BILL)

Procedures to Request Appropriation for Federal Funds, Establish Appropriation Accounts, and Allot Operating Federal Funds

1. The Department of Budget and Finance (B&F) identifies the “Major, Recurring Federal Awards” using award data compiled by the Federal Fund Information for States (FFIS) based on appropriations in the federal budget. FFIS maintains a database of more than 200 federal grant-in-aid programs which accounts for more than 90% of the federal funds flowing to state and local governments. Information on FFIS can be viewed at FFIS.org.
2. Prior to budget preparation, the Director of Finance will issue a memorandum to identify the “Major, Recurring Federal Awards” the Executive departments can expect to receive during the State Fiscal Year and the department authorized to receive the award as the prime recipient. The B&F memorandum is posted on B&F’s website.
3. For awards included on the “Major, Recurring Federal Awards” list, appropriation must be requested in the Executive Budget by the State Department authorized to receive the award as the prime recipient using MOF (Means of Financing) “N”.

Appropriation must be requested in the Executive Budget for all other federal awards anticipated to be received during the State Fiscal Year using MOF “P”. Generally, “P” funds are ‘competitive’, non-recurring federal awards however there may be recurring federal awards that are designated as “P” funds. Appropriation should be sought for MOF “P” in the budget when a recurring federal award is not designated as “N” and when it is reasonably certain that a federal award not designated as MOF “N” will be applied for and awarded during the upcoming fiscal year.

4. If the head of a State Department determines that their department does not have the capacity to manage a major, recurring federal award, the Director of Finance should immediately be informed. The Director of Finance may take steps to improve the ability of the department to manage a federal award, may assign the federal award to another state organization, may contact the federal awarding agency for assistance or may decline the award.
5. Departments Heads are delegated authority from the Governor to approve and submit applications for federal awards. They will review and authorize federal awards applications and designate the program(s) (by Program ID) that will expend the federal funds. For each award that is applied for, Department Heads will ensure that a written plan is available that describes how the federal funds will be used.
 - a) Department Heads must have in place policies, practices, and procedures that will:
 - i. Avoid waste, fraud, and abuse;
 - ii. Ensure that costs charged to federal programs are allowable costs, in accordance with applicable laws, regulations, agreements and contracts;
 - iii. Ensure that funds provided under each federal award are separately accounted for, from receipt to obligation to expenditure;
 - iv. Ensure that effective cash management is employed for federal funds to minimize the time elapsing between (i) the transfer of funds from the federal government, or from a pass-through entity, to (ii) disbursement;
 - v. Ensure the use of federal funds meet all federal requirements as described in individual federal award and OMB circulars;
 - vi. Fulfill federal reporting requirements in a timely manner.
 - b) Department Heads will maintain a separate file for each federal award received that contains a copy of the federal award notice and any other major correspondence with the federal awarding agency that may impact the use of federal funds.

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6. Form FF

- a) A key budgetary and accounting control for federal awards is establishing a one-to-one relationship between a federal award as identified by its federal award identification number and a state Appropriation Account or accounts if more than one program ID will be expending funds from a federal award to be able to separately account for a federal award from receipt to obligation to expenditure.
- b) During Executive Budget Request and Executive Budget Execution preparation, State Departments will electronically complete and submit Form FF to B&F, listing anticipated federal awards it is seeking appropriation for.
- c) Form FF shall include:
 - i. All "Major Recurring Federal Awards" (MOF "N") for which the Department has been designated as the authorized prime recipient by Director of Finance and "Other" federal awards (MOF "P") anticipated to be received during the upcoming fiscal year.
 - ii. All federal awards that a Program ID shall receive as a sub recipient. A sub recipient expends federal funds received from a Prime Recipient (pass-through entity) to carry out program activities.
 - iii. All federal funds that a Program ID will receive from another Program ID within the same department.
- d) The purpose of Form FF is:
 - i. To identify the individual federal awards and amounts that comprise the total MOF "N" and "P" appropriation ceiling requested in the Executive Budget by Program ID. The total value of the awards listed on the Form FF for MOF "N" and "P" should equal the value of the MOF ceiling in the Executive Budget.
 - ii. To provide DAGS with a list of federal awards that will require assignment of an Appropriation Account Symbol for the new fiscal year.
 - iii. To provide information to B&F on the relationship between individual federal awards and Appropriation Accounts to enable regular financial reporting directly from FAMIS.
- e) The award amount entered on Form FF should be the amount awarded or *anticipated* to be awarded for the full performance period of the award.

7. Executive Budget Request

- a) B&F will send Form FF to departments via the FAMS-Form FF workflow. The latest version of the second fiscal year of the previous biennium's Form FF will be copied forward to both upcoming fiscal years of the new fiscal biennium as a starting point for departments to develop a Form FF.
- b) The designated "Department Reviewer" for each department will send Form FF to the department's programs for review and rework, approve each Form FF when returned by the programs, and submit the Form FFs for the entire department to B&F.
- c) B&F will review the Forms FFs to verify that:
 - All major, recurring federal awards for which the department or state entity has been designated as the authorized prime recipient on the memorandum issued by the Director of Finance are listed.
 - The total "N" and "P" appropriation ceiling on the Form FF for each Program ID matches the appropriation requested in the Executive Budget.

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8. Executive Budget Execution
 - a) After the appropriation bill is enacted, B&F will enter the MOF “N” & “P” Appropriation Ceilings for each Program ID on the Form FF and send the Form FF to all departments for review via the FAMS-Form FF workflow.
9. The designated “Department Reviewer” for each department will send the Form FF to the department’s programs for review and rework, approve each Form FF when returned by the programs, and submit the Form FFs for the entire department to B&F.
10. B&F will review the Form FFs to:
 - a) Verify that all “Major, Recurring Federal Awards” for which the department or state entity has been designated as the authorized prime recipient on the memorandum issued by Director of Finance are listed
 - b) Pre-assign Appropriation Account symbols to each award
 - c) Send the department’s Form FF to the Department of Accounting and General Services (DAGS) to assign Appropriation Account symbols.
11. DAGS will assign the Appropriation Account symbols and return the department’s Form FF to B&F.
 - a) B&F will review the Appropriation Account symbols assignments, make changes with DAGS if necessary, then send the entire department’s Form FFs to the department.
12. DAGS will issue Appropriation Warrants to each department for only the “Parent” “N” and “P” Appropriation Accounts.
13. Departments will prepare and submit Journal Vouchers (JV) to DAGS to transfer appropriation ceiling from the Parent MOF “N” and “P” Appropriation Accounts to the individual award Appropriation Accounts assigned on Form FF.
 - a) To transfer appropriation ceiling from a parent account to an individual award Appropriation Account(s):
 - i. Use Transaction Code 944 to decrease the appropriation in the parent account and Transaction Code 941 to record the amount in the individual award Appropriation Account(s)
 - b) After this transfer, if it becomes necessary to transfer appropriation from one individual award Appropriation Account to another individual award Appropriation Account:
 - i. The amount may be transferred directly from one individual award Appropriation Account to another; it is not necessary to transfer the amount from the individual award Appropriation Account back to the parent appropriation first.
 - ii. Use Transaction Code 944 to decrease the appropriation in the sending Appropriation Account and Transaction Code 941 to record the amount in the receiving Appropriation Account
The net total of the transfers should be zero.
14. Within 14 days of receipt of a federal award notice, department will notify B&F electronically by recording the award in the DataMart/Federal Awards Management System (FAMS).
15. B&F will review and approve the FAMS award record

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16. Departments will prepare and submit Form A-19 (Request for Allotment) to B&F for approval.
 - a) "Form A-19" will be submitted to B&F for each individual Appropriation Account to establish an allotment to expend federal funds and must include the "FAMS ID".
 - b) The allotment amount requested shall not exceed the total award amount shown on the FAMS record.
 - c) For an A-19 that is submitted to transfer appropriation from an individual award Appropriation Account to another individual award Appropriation Account as described in 13. b), reference on the amendment description of transfer to "Amdt - transfer to subaccount S-xxx" and transferring from "Amdt - transfer from subaccount S-xxx". On the back of A-19, include specific comment on the reason for the transfer and that the JV has been sent to DAGS for processing.
 - d) Appropriation Accounts for federal awards are designated "non-reversion" thus:
 - Quarterly allotment balances will be carried forward automatically at the end of each quarter.
 - Form A-19 is not required to carry forward allotment balances at the end of each quarter.
17. B&F will review the A19 then send to DAGS after approval.
18. DAGS will enter the allotment for the Appropriation Account in FAMIS.
19. If the appropriation ceiling subsequently needs to be increased, the Governor's approval shall be requested by submitting Form E1 (Request to Increase the Current Appropriated or Non-Appropriated Ceiling for an Appropriation Account) via the SharePoint "Federal Form Awards Workflow." Form E1 requires the entry of a "FAMS ID" therefore the award must be recorded in FAMS.
20. If the Appropriation Account lapse date precedes the performance period end date, the Governor's approval to extend the lapse date shall be requested by submitting Form E4 (Request to Extend the Lapse Date of the Appropriation Account to Expend Federal Fund, Other Federal Fund or Non-General Matching Fund for a Federal Award) via the SharePoint "Federal Form Awards Workflow."
 - a) Operating federal funds are assigned a lapse date of fiscal year plus two (2) years.
 - b) CIP federal funds are assigned a lapse date of the fiscal biennium plus five (5) years.