

TOPIC	GAAP REPORTING	SUB-SECTION 27.30.60
SECTION	SUPPORTING SCHEDULES	ISSUANCE DATE June 22, 2010
SUB-SECTION	FEDERAL GRANT ACTIVITY	REVISED – 2019

FEDERAL GRANT ACTIVITY

PURPOSE

The Federal Grant Activity schedule supports amounts reported on the GAAP packet for federal grant revenues, receivables, deferred revenues and expenditures. The schedule is also used for preparing the Single Audit Report required by the Single Audit Act, Office of Management and Budget Circular A-133 and the State's audit requirements. The amounts on this schedule should be reconciled by the agency with amounts reported on federal financial reports.

A federal grant is a contribution or gift of cash or other assets from the federal government to be used or expended for a specific purpose, activity, or facility. Capital grants are restricted by the grantor for the acquisition and/or construction of capital assets. Discretionary grants may be utilized for either operations or capital expenditures at the discretion of the recipient government and are considered operating grants. All other grants are operating grants.

Federal grant revenue is reported in revenue codes 42100000, 42200000, and 42300000. Establishing a separate treasury fund is not necessary for each grant; however, grants do have to be accounted for in a "5-series" fund. Existing treasury funds should be used to account for grants whenever possible.

RECOGNITION OF GRANT REVENUE

Federal grants recorded in governmental funds should be recognized as revenue in the accounting period when they become both measurable and available (modified accrual basis). In applying this definition, legal and contractual requirements should be carefully reviewed for guidance. If expenditure of the grant proceeds is the prime factor for determining eligibility, revenue should be recognized when the expenditure is made or the liability is recorded since it is both measurable and available. This is an example of a cost-reimbursement type grant. If matching requirements exist, revenue recognition depends upon compliance with these requirements.

Federal grants recorded in proprietary funds should be recognized as "nonoperating" revenues in the accounting period in which they are earned and become measurable (accrual basis). Resources restricted for the acquisition or construction of capital assets should be recorded as revenue code 42400000 - Capital Contributions.

FORM INSTRUCTIONS

Exhibit 27.30.60 contains reference numbers. Note that "Current Fiscal year" means the State's Fiscal year (July 1 through June 30), not the federal government's fiscal year (October 1 through September 30). The instructions for completing the schedule are as follows:

<u>REFERENCE</u>	<u>EXPLANATION</u>
1	The agency name.
2	The reporting date including the month, day and year.
3	The person who prepared the schedule.
4	The business area.
5	The fund number.
6	The CFDA number. The first two digits represent the granting agency and the following three digits represent the program. The final grant schedule, which is provided by OFR, contains the correct CFDA number for prior year grants. All grants with the same CFDA number should be listed consecutively and subtotaled.

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<u>REFERENCE</u>	<u>EXPLANATION</u>
7	The program name of the grant.
8	The federal grant number.
9	The grant number assigned budget year MAGIC.
10	The indirect cost rate.
11	The DUNS Number.
12	The EIN.
13	The grant period start date (<u>mm/dd/yyyy</u>).
14	The grant period end date (<u>mm/dd/yyyy</u>).
15	The grant award amount for the grant period which has been awarded as of the end of the reporting period.
16	The amounts which are "Due From (To) the Granting Agency" at the end of the <u>previous</u> fiscal year as provided by OFR.
17	The cumulative amount of federal grant monies received by the recipient agency for each grant. This amount includes current fiscal year receipts plus the prior year's cumulative receipts.
18	Federal grant monies received during the current fiscal year (July 1 – June 30), regardless of which BUDGET YEAR the receipts were coded during the lapse period. The grand total equals the total of revenue codes 42100000, 42200000, and 42300000 at June 30.
19	The cumulative amount of federal grant monies which the recipient agency has expended for each grant. This amount includes current fiscal year federal expenditures plus the prior year's cumulative federal expenditures.
20	The federal expenditures incurred during the current fiscal year (July 1 – June 30), regardless of which BUDGET YEAR they were coded, less prior fiscal year accrual entries. The grand total should equal the total of revenue codes 42100000 – 42300001 after adjustments.
21	The federal expenditures accruals posted during lapse.
22	Total current year federal grant expenditures. (20 + 21 = 22).
23	The amounts which are "Due From (To) the Granting Agency" as of the end of the current period by the recipient agency. (16 - 18 + 22 = 23).
24	Federal grants must be identified as either operating (Op) or capital (Ca) grants. Operating grants consist of revenues or resources that may be used at the agency's discretion for either operating expenditures or for capital expenditures. Capital grants consist of assets or resources that are restricted for capital purposes - to purchase, construct or renovate capital assets associated with a specific program.
25	Federal grants from the American Recovery and Reinvestment Act (ARRA) must be identified with an "A".

**STATE OF MISSISSIPPI
DEPARTMENT OF FINANCE AND ADMINISTRATION**

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- 26 If loans are issued from the federal grant, it must be identified with an “L”.
- 27 The sum of amounts in 22 which are coded as Op - Operating Grant in 24.
- 28 The sum of amounts in 22 which are coded as Ca - Capital Grant in 24.
- 29 The sum of 27 and 28, which agrees to the total of 22.
- 30 The sum of the positive amounts in 23, which will be coded to account 13000001 - Due From Federal Government.
- 31 The sum of the negative amounts in 23, which will be coded to account 24510000 - Unearned Federal Revenue.
- 32 The sum of 30 and 31, which agrees to the total of 23.

The appropriate GAAP adjustments must be made for the amounts recorded in 21 and 22. Entries must be made by grant. The Excel spreadsheet has journal entry template built to assist with this. Do **not** net these amounts.

Each line on the Federal Grant Activity schedule **must** crossfoot. The following formulas are used to check the schedule:

Beginning Due From (To) Granting Agency	Cumulative Federal Expenditures
Less: Current Fiscal Year Receipts	Less: Cumulative Federal Revenues
Plus: Current Fiscal Year Federal Expenditures	
<u>Ending Due From (To) Granting Agency</u>	<u>Ending Due From (To) Granting Agency</u>

Agency Name: (1) _____
 For the Period Ended: (2) _____
 Prepared by: (3) _____

Business Area	Fund Number	CFDA Number	Grant Name	Grant Number	MAGIC Grant Number	Indirect Cost Rate	DUNS Number	EIN	Grant Period Start	Grant Period End	Grant Award	Beginning Due From (To) Granting Agency a	Receipts		Expenditures				Ending Due From (To) Granting Agency (b-c+g)	Grant Type	ARPA %	Loans ***	Cumulative Crossfoot Check	Current Crossfoot Check	Internal Color		
													Cumulative As of Period End b	Current Fiscal Year (July 1 - June 30) c	Cumulative Federal As of Period End d	Current Fiscal Year (July 1 - June 30) e	Add: Current Year Accrual f	Total Current Federal Grant Expenditures g (e+f)									
(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)					
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