EDA
U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

Completing the SF-425 Federal Financial Report (FFR)
Grants Online Users

Key Tips

If receiving multiple grants from one agency, use a separate FFR for each grant.

Ensure the accounting method is correct; switching methods during the grant period is rarely allowed.

Enter a zero for data fields that are optional.

Remember to only report activity that occurred by the end of the reporting period, **not** the date the report is prepared or submitted.

Consider having a fresh pair of eyes review the FFR before submission.

Last but not least...
Start the report as early as possible at the end of the reporting period to allow time for any questions or revisions.

What is the purpose of the FFR (SF-425)?

The FFR, required for all EDA grants, captures key financial data for a grant, such as the amount of federal funds disbursed and spent so far. The FFR is a useful tool for both grantees and EDA to monitor the award and ensure compliance.

Where can we find the FFR in Grants Online (GOL)?

Go to the Grants File launch page and scroll down to the **Financial Report** section. Click the **FFR ID link** (for the appropriate Start Date & End Date).

When can we start working on it?

The report will become available in GOL on the first day after the reporting period ends. However, grantees can start gathering data and reviewing a sample FFR before that date.

When is it due?

Within 30 days of the end of the reporting period. Meeting this deadline is important as it allows EDA to monitor expenditures and project progress and help recipients with any challenges. Late or absent FFRs can result in EDA withholding grant funds.

Who can complete the report?

While any staff can enter data, only those who have certain EDA-designated roles for the award—generally, a senior officer—may certify and submit the FFR.

What data do we need?

DATA	SOURCE
General organizational information, such as address and Employer Identification Number (EIN)	Grant Application Recipient's Records
Project grant period	CD-450/451 (Award Document)
Reporting frequency/type	Specific Award Conditions (SAC)
Type of accounting method used – cash or accrual	Recipient's financial officer
Project financials, such as: • award expenditures to date • payments from EDA • cost sharing (if any)	Invoices and receipts, drawdown requests in Grants Online, SF-424A (Budget Information)

Getting Started
Blocks 1 through 5

- Recipient name and address
- Unique Entity Identifier (UEI)
- Employer Identification Number (EIN) used for tax reporting
- Any internal account number the recipient wishes to use.

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)
Department of Commerce/EDA	ED21PHI0000000

3. Recipient Organization (Name and complete address including Zip code)

Recipient Organization Name: Great Place Township

Street1: 123 Main Street

Street2:

City: Great Place   County:

State: NJ   Province:

Country: USA: UNITED STATES   ZIP / Postal Code: 11111

4a. UEI	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)
AAAAAA7AA00	00-0000000	

> **!** **Ensure that the federal grant ID and address match what is on the CD-450/451. If the address has changed, please note that in the Remarks section (Block 12).**

Blocks 6 through 9

- Report Type
- Recipient's Basis of Accounting
- Project Grant Period (also known as the performance period)
- Reporting Period End Date

6. Report Type	7. Basis of Accounting	8. Project/Grant Period	9. Reporting Period End Date
☐ Quarterly ☒ Semi-Annual ☐ Annual ☐ Final	☒ Cash ☐ Accrual	From: 10/1/2020 To: 4/22/2023	3/31/2021

Basis of Accounting

Cash: Under the **cash method of accounting**, revenues are recorded when cash is *received*; expenses are recorded when they are *paid*.

Accrual: With the **accrual method**, revenues are recorded when cash is *requested* and expenses at the time they are *incurred*.

What is the Project Grant Period?

The time span covered by your grant agreement (CD-450/451). Enter the beginning and end date for the agreement.

Block 10

The example used in this section is based on the cash method of accounting but will include instructions for accrual method users.

Part 1: Federal Cash Received & Spent (Lines a–c)

10. Transactions	Cumulative
(Use lines a-c for single or multiple grant reporting)	
Federal Cash (To report multiple grants, also use FFR attachment):	
a. Cash Receipts	$300,000
b. Cash Disbursements	$300,000
c. Cash on Hand (line a minus b)	$0

10a. **Cash Receipts.** This will be the amount of all drawdown requests made since the award began. Do not include any non-federal funds. **Cash method** users: Enter the total amount of cash received from EDA. **Accrual method** users: Enter the amount requested and/or received from EDA.

10b. **Cash Disbursements** are the EDA funds that the **cash basis** recipient has spent to cover project expenses such as payments made to subrecipients and contractors and indirect costs. For **accrual basis** users,10b includes any incurred (owed) expenses, as well as EDA funds used to cover expenses that have been paid.

10c. **Cash on Hand** is the amount remaining after *federal* funds are received and spent. Positive cash on hand is not possible for **cash method** users getting paid by EDA through reimbursements. If the EDA is paying the grantee in advance for expenses, positive cash on hand is possible but should be limited. Any cash on hand exceeding $5,000 (positive) should be explained in Block 12. **Accrual method** users may have negative cash on hand but regardless of the amount, they do not need to explain anything in Block 12.

Part 2: What's Left? Federal Cash Remaining (Lines d–h)

Federal Expenditures and Unobligated Balance:	
d. Total Federal funds authorized	$1,500,000
e. Federal share of expenditures	$300,000
f. Federal share of unliquidated obligations	$50,000
g. Total Federal share (sum of lines e and f)	$350,000
h. Unobligated balance of Federal Funds (line d minus g)	$1,150,000

Quick Tip for Accrual Method Users

Unliquidated obligations on **10f** —costs that have been recorded but not yet paid— will match the amount that was included in **10b (Cash Disbursements)** as incurred (owed) expenses. These expenses have not yet been tied to federal or non-federal funding sources.

*10d. **Total Federal funds authorized.** Include all funds awarded (Box 20 of grant award) and any additional funds provided by amendment.

10e. The federal share of expenditures is the same amount as **10b (Cash Disbursements)** for **cash basis** grantees. Expenditures for **accrual basis** grantees only include actual payments, not any amounts owed, so 10e may differ from 10b.

10f. **Federal share of unliquidated obligations** is EDA's share of bills not yet paid for the project.
  • For **cash basis** grantees, this would be invoices received but not paid.
  • For **accrual basis**, unliquidated obligations are unpaid expenses that have been recorded in their books.

For both method users, **10f** must be zero on the final report (unless EDA has provided other instructions to the **accrual method** grantee).

*10g. The total share is the sum of lines e and f for both methods.

*10g + 10h. As amounts are entered in **10d - f**, these numbers calculate automatically.

* Both accounting method users

Block 10

Part 3: Recipient Share (Lines i–k)

Note: This section may have pre-populated numbers that apply to the whole project period. These numbers must be manually replaced with amounts that apply only to the reporting period.

Recipient Share:	
i. Total recipient share required	$200,000
j. Recipient share of expenditures	$125,000
k. Remaining recipient share to be provided (line i minus j)	$75,000

10i. The recipient share (cumulative) for the reporting period will be provided automatically.

10j. Enter the amount of non-federal funds spent through the reporting period end date, including payments to subrecipients and contractors. Subtract any rebates, refunds, or other credits. Recipients must be able to match the required share in each reporting period.

10k. The difference between the total non-federal share required for the award and how much of that share has been spent. If the Recipient Share of Expenditures exceeds Total Recipient Share Required, enter "0."

Part 4: Program Income (Lines l–o)

This section is used to report gross income earned as a result of the Federal award (or directly generated from an activity supported by the award); it captures Program Income (PI) earned *during the performance period only*. Most grantees do not need to fill this out, although it is commonly used by Revolving Loan Fund (RLF) recipients. If non-RLF grantees do not exhaust PI before closeout, they must remit the funds to EDA.

Program Income:	
l. Total Federal program income earned	$10,000
m. Program Income expended in accordance with the deduction alternative	$0
n. Program Income expended in accordance with the addition alternative	$5,000
o. Unexpended program income (line l minus line m or line n)	$5,000

10l. Enter the cumulative amount of gross program income received. Enter only those funds actually received, regardless of which accounting system is used.

10m. Enter "0." EDA rarely uses the deduction alternative.

10n. Enter the amount of program income that results in additional funds being committed to the total project costs.

Do not report any program income here that is being counted toward your cost sharing or match. Program income to be used as part of a required match, which is very rare, must receive prior approval from EDA.

10o. Enter the amount of PI that has been earned but not yet spent, as of the reporting period end date. Except for RLF grants, PI is to be used before any additional funds are drawn down or requested for reimbursement, unless there are different instructions within the award.

Block 11: Indirect Expense

Indirect costs are those that are necessary for the recipient to operate, such as building maintenance or administrative staff, but cannot be <u>directly allocated</u> to a particular project or program. The recipient can receive payment from EDA for certain indirect expenses—the amount of that reimbursement is subject to a set rate. A description of the types of indirect cost rates can be found at www.eda.gov/indirect-costs.

For the example below, we show how to report indirect costs when the rate changes during the reporting period. A **Fixed rate of 12%** was used to calculate the amount of salaries and benefits that could be charged to EDA under the first agreement, then was replaced by a 15% rate. This information is entered into **11a** and **11b** for **Type and Rate**. (Note: Any increase to an indirect cost rate requires approval by the EDA Grants Officer.)

11c. Start and end date for the period in which the Indirect Cost Rate is in effect. The 12% rate was effective between Oct. 1, the first day of the reporting period and Dec. 10, when the rate expired.

11. Indirect Expense						
a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
Fixed	12%	10/1/20	12/10/20	$48,000	$5,760	$5,760
Fixed	15%	12/11/20	03/31/21	$75,000	$11,250	$11,250
			g. Totals:	$123,000	$17,010	$17,010

11d. Base. The **top line** shows costs ($48,000) that occurred under the previous rate agreement, starting on the first day of the reporting period and ending on the last day of the agreement.

The **bottom line** shows expenses incurred under the *new* rate agreement. The 15% rate applies to costs occurring between 12/11/2020 and 3/31/2021, the last date of the reporting period.

11e. Amount Charged. Multiply the **base** (11d) X the **rate** (11b.) to enter the amount of indirect costs charged to EDA within the reporting period.

11f. Federal Share. Enter the Federal share of the amount in **11f**. Recipients can choose the indirect cost amount they charge to the federal share, as long as they meet their required share. In this example, all indirect costs are charged to EDA.

11g. The totals will populate automatically; no data entry required.

Block 12: Remarks

In **Block 12**, the recipient should explain: (1) any differences between the previously submitted FFR and the current one; and/or (2) why more funds were drawn down than needed during the reporting period.

Unless directed otherwise by your EDA project officer, remarks can be provided by uploading a Word document that includes the award number, organization name, and reporting period, including fiscal year, in the file name.

Each entry in the document should include a corresponding box number on the FFR, explain what has changed since the last FFR, and the reason for the change. If changes need to be explained in future reports, update the same document rather than create a new one.

When you are done, click **Add Attachment** if you are uploading your remarks. Once you add the document, it will be transmitted when you submit the report.

Block 13: Signature

Enter the Authorizing Certifying Official's full name and title, email and phone number in the corresponding boxes.

13. Certification: By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

a. Name and Title of Authorized Certifying Official

Prefix: First Name: Middle Name:

Last Name: Suffix:

Title:

b. Signature of Authorized Certifying Official

c. Telephone (Area code, number and extension)

d. Email Address

e. Date Report Submitted

14. Agency use only:

The Authorizing Official electronically signs the form, certifying that the information is complete and accurate.

Submitting the FFR

When finished with data entry, click the **Save and Start Workflow** button > Click **OK** and the system returns to the SF-425 launch page > Depending on the user's role, select either **Forward SF-425 Full Report to Agency** – or – **Forward SF-425 Full Report to an AOR**

Completing the **FINAL** FFR

The final report—which covers expenditures for the entire grant period—is due within 120 days of the end of the period of performance. Below are a few pointers to help ensure the accuracy of your final report:

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Make sure the FFR has been signed, certified, and designated as "Final" under Report Type in Box 6

☑ Line 10c. **(Cash on hand)** This amount should be zero, regardless of the accounting method used. If the grantee still has cash on hand, these funds should be returned to EDA.

☑ Line 10f. **(Federal share of unliquidated obligations)** must show zero or blank. If the grantee reports any amount other than zero, the grant cannot be closed until unliquidated obligations have been cleared.

☑ Line 10h. **(Unobligated balance of federal funds)** shows the remaining unspent award balance.

☑ The amount in **10j (Recipient Share to be Provided) should be equal to or greater than the amount on 10i**, signaling that the recipient met or exceeded the required match. The final SF-425 cannot be received and accepted if any amount of the recipient's share remains to be paid.