MONTHLY FINANCIAL REVIEW - GRANTS

Overview

The purpose of this guide is to recommend to Agency Managers the critical verification and review steps that agencies should establish as a monthly practice, with suggestions for using reports and researching issues.

- This Guide provides a general overview of the verification and review objectives and where in AFIS you would conduct these activities.
- To understand how to run reports, reference the Run an Interactive InfoAdvantage Report Quick Reference Guide found on the GAO Web Site (gao.az.gov) under Training Resources / Quick Reference Guides.
- The State of Arizona Accounting Manual (SAAM) SAAM 0510, Internal Controls by Process, has additional relevant information to the monthly financial review process.
- SAAM 1510, Cost Accounting Structures Certain Uses and Reconciliation has additional information on the monthly financial review process.

Objectives

Monthly review for Grants should meet the following objectives:

- Reconcile to Federal Financial Report
- Verify recorded grant revenue matches to Federal amount drawn (Federal system)
- Verify expenditures and revenues are not greater than the award
- Sub-awards are monitored (For additional information regarding sub-awards refer to SAAM 7010, Sub-recipient and Contractor Determinations and 2 CFR 200.331, Requirements for pass-through entities)
- Indirect costs charged to Federal grants are appropriate and accurate (For additional information regarding indirect costs refer to SAAM 7040, Indirect Cost Rates)
- Facilitate close out of grant
Procedure

Either of the below reports may be used for verification and review. The \textit{FIN-AZ-GM-C081 Federal 425} uses running cumulative totals from one fiscal year prior up through the period of time you select. For example, if you select fiscal year 2020 APD 3 you will get the totals for transactions that occurred within the entire period of fiscal year 2019 and everything that occurred in fiscal year 2020 through APD 3. The \textit{FIN-AZ-GM-C075 Inception to Date Awards, Draws and Exp} includes cumulative totals up to the period of time you select. For example, if you select fiscal year 2020 APD 3 you will get the totals for transactions that occurred from the inception of the grant through fiscal year 2020 APD 3. It is best practice to schedule these reports.

\textit{Information on scheduling reports can be found here:} https://gao.az.gov/trainingevents/training-resources

Reconcile to Federal Financial Report


1. Run the \textit{FIN-AZ-GM-C081 Federal 425}

2. Verify that the amounts in column 10a for Cash Receipts and column 10b for Cash Disbursements are as expected per the Federal draw down system for preparing the Federal Financial Report for the period selected. You may need to run multiple reports to capture all the revenues and expenditures.

3. Column 10d is the amount awarded which was input by the agency into eCivis and then interfaced to AFIS Grants Lifecycle Management (GLM) Module. If the amount in 10d is less than column 10b, review what action should be

\textit{Grant Tracking within a Cost Structure document can be found here:} https://gao.az.gov/federalcost-accounting
taken. Your expenditures may have exceeded the original amount or may need to update the award amount (due to an amendment) in eCivis so the correct award amount may interface into AFIS GLM.

4. This report uses Grant ID to distinguish between grants. Please see the Grant Tracking within a Cost Structure document on the GAO website for an explanation of how the costs are captured depending on the level of the AFIS cost structure the Grant ID is attached to.
Verify Revenue and Expenditures Are Not Greater Than Award

Verify that Revenues and Expenditures do not exceed Award Amounts.

1. Run **FIN-AZ-GM-C075**
   - Inception to Date Awards, Draws and Exp

2. Verify Award Amount is equal to or greater than both Total Revenue and Expenditure

3. If Award Amount is less than Total Revenue or Expenditures, review to see if you have over expended or if the award amount needs to be updated in eCivis so the correct award amount may interface into AFIS GLM

Note: This report pulls in transactions by Grant ID, it is possible that a transaction was miscoded to the Cost Structure. Review the transactions posted to the grant for validity.

Complete Closeouts of Grants

For Grants that are at end of award period, facilitate the closeout of the Grant.

1. Review Grant closeout procedures for Grants approaching end of award

2. Provide reconciliation and reports as needed to complete closeout

3. For more information on **Grant Close-Outs refer to SAAM 7035**, Close-outs and Records Retention
   - When the State is the Grant Recipient. For information on how to process a Grant Close-Out Document in AFIS, please review the QRG on the GAO website: [https://gao.az.gov/federalcost-accounting](https://gao.az.gov/federalcost-accounting)