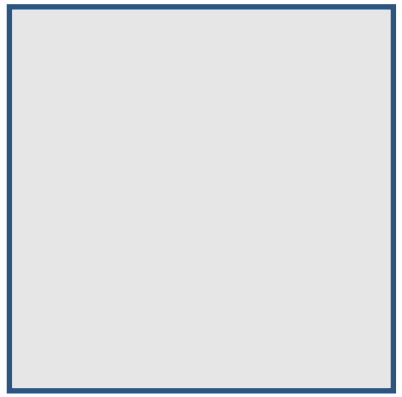
Financial Reporting

SMART Training

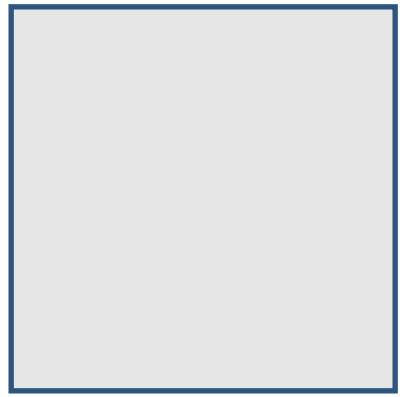
41st National Indian and Native American Employment and Training – WIOA 166/ PL 102-477

Sept 20th -23rd

Today's Speakers



Chanel N Castaneda
Supervisor
U.S. Department of Labor – OGM
Washington, DC
castaneda.chanel@dol.gov



Carl Duncan
U.S. Department of Labor –
Washington, DC

SMART Training Strategies

- **S** Strategies
- **M** Monitoring
- **A** Accountability
- **R** Risk Mitigation
- **T** Transparency

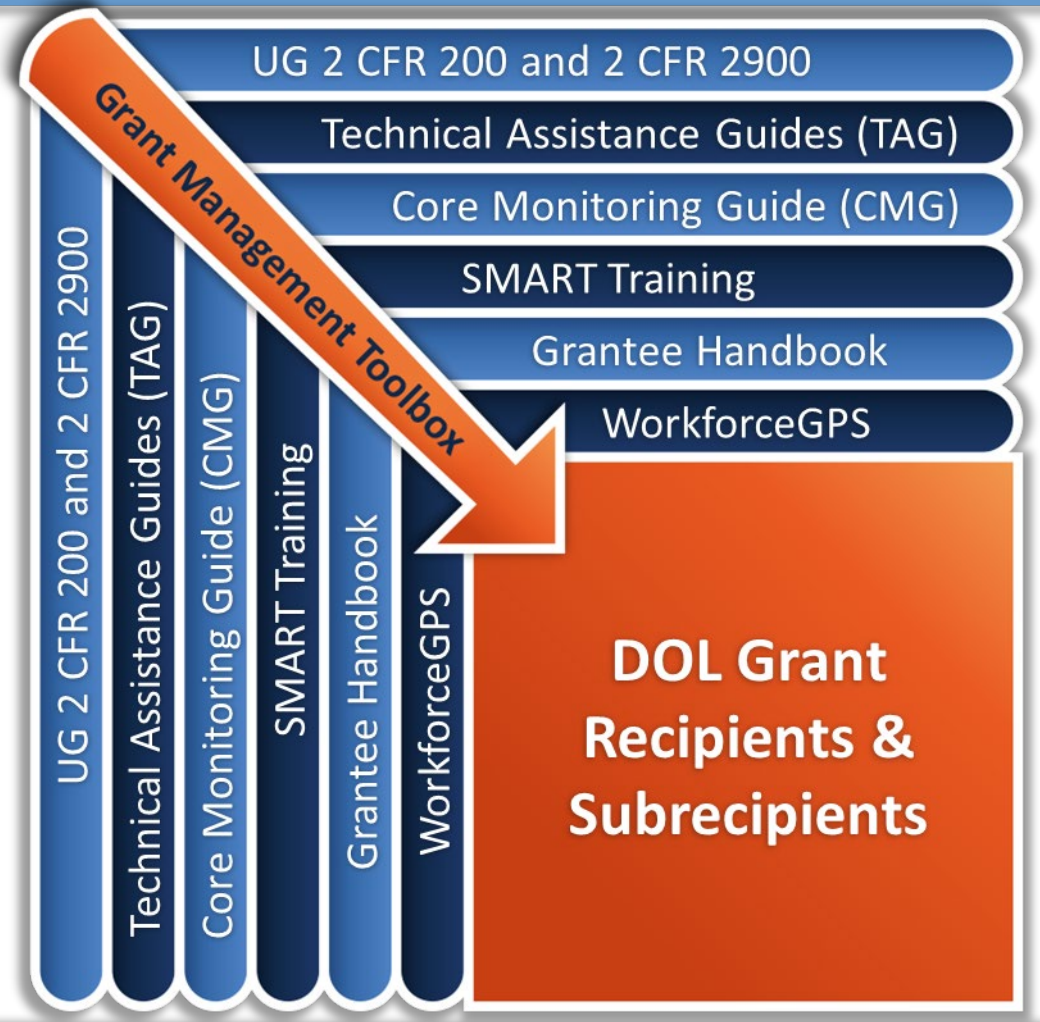
SMART Training Series:

The training modules are focused on: **S**trategies for sound grant management that includes: **M**onitoring, **A**ccountability, **R**isk mitigation and **T**ransparency

These four themes are woven throughout the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards also known as the Uniform Guidance (2 CFR Part 200 and 2 CFR Part 2900).

https://grantsapplicationandmanagement.workforcegps.org/home/

Grant Management Toolbox



Module Overview

- ✓ Basics
  - ► DOL financial reporting requirements
- ✓ ETA 9130
  - ► Identify the data elements reported on the ETA 9130 Financial Report
- ✓ Common Issues
  - ► Avoid common mistakes and their consequences



Basics

- ✓ DOL financial reporting requirements

Why We Need Financial Data

- ✓ DOL uses data to report to Congress and other stakeholders (can influence future funding)
- ✓ Track program performance against financial spending (identify potential technical assistance)
- ✓ Helps avoid returning grant funds back to DOL



Tools For Accurate Financial Data

- ✓ Accounting systems including charts of accounts to compile, identify and track financial transactions by classifications for reporting purposes
- ✓ Reliable and knowledgeable staff to perform the monthly accounting process and produce the required financial reports
- ✓ Policies and procedures. Internal controls to ensure a consistent process of compiling, identifying, tracking and reporting financial transactions

Authorization of ETA 9130

- Uniform Guidance 2 CFR Part 200
  - Financial Management 2 CFR 200.302(b)(2) requires accurate, current, complete disclosure of financial results
  - Financial Reporting 2 CFR 200.327 (pre-UG Revisions)/ 2 CFR 200.328 (post- UG Revisions) requires no less frequently than annually nor more frequently than quarterly per terms and conditions of Federal award, except in unusual circumstances
- DOL Exception 2 CFR 2900.14 Financial reporting
  - Recipient must develop accrual information through best estimates based on an analysis of the documentation at hand

ETA Guidance on Financial Reporting

- ✓ Training & Employment Guidance Letter (TEGL) 2-16: Revised ETA-9130 Financial Report, Instructions, and Additional Guidance
  - ▶ Published July 14, 2016
  - ▶ Financial Reporting Process
  - ▶ Changes to Reporting Requirements
- ✓ Training & Employment Guidance Letter (TEGL) 20-19:Revised ETA-9130 Financial Report, Instructions, and Additional Guidance
  - ▶ Published April 29, 2020
  - ▶ Updated Reporting Instructions

Basic Reporting Requirements

- ✓ Basis
  - ► Accrual
- ✓ Frequency
  - ► Quarterly and cumulative
- ✓ Due 45 days after quarter end

Quarter End Date	Financial Reports Due
March 31	May 15
June 30	August 15
September 30	November 15
December 31	February 15

- ✓ Transmission method
  - ► ETA on-line reporting system



ETA 9130 Report : Final vs. Closeout Reports

- Final report
  - Due no later than 45 calendar days after the reporting period
    - in which the grant period of performance expires
    - or all funds, Federal AND recipient share, are expended
    - WHICHEVER comes first
- Closeout report
  - Must be submitted no later than 90 calendar days after the expiration of the grant regardless of whether funds are fully expended prior to the POP expiration date.

Reporting Periods, Due Dates and Cumulative Data

- Each report must be complete and accurate for all levels where funds are expended through the last day of the quarterly report period.
- Ensure that data is reported by subrecipients and submitted to DOL by the due date.
- DOL financial reports are cumulative until the end of the life of the allotments or the period of performance for the DOL awards.

Online Reporting System

- ✓ Follow instructions in the Notice of Award
- ✓ Provide requested reporting contact information
  - ► An e-mail is sent to primary contact with password and PIN
- ✓ System is user-friendly and provides guidance to assist user in completing the ETA 9130 form
  - ► System edits – hard and soft

http://www.doleta.gov/grants/pdf/FSR_eform.pdf

Password and PINs

- Uses for Each
  - Password issued to access system and enter data
  - PIN issued to certify data
  - Instructions link provides information on how to use system



http://www.doleta.gov/grants/pdf/FSR_eform.pdf

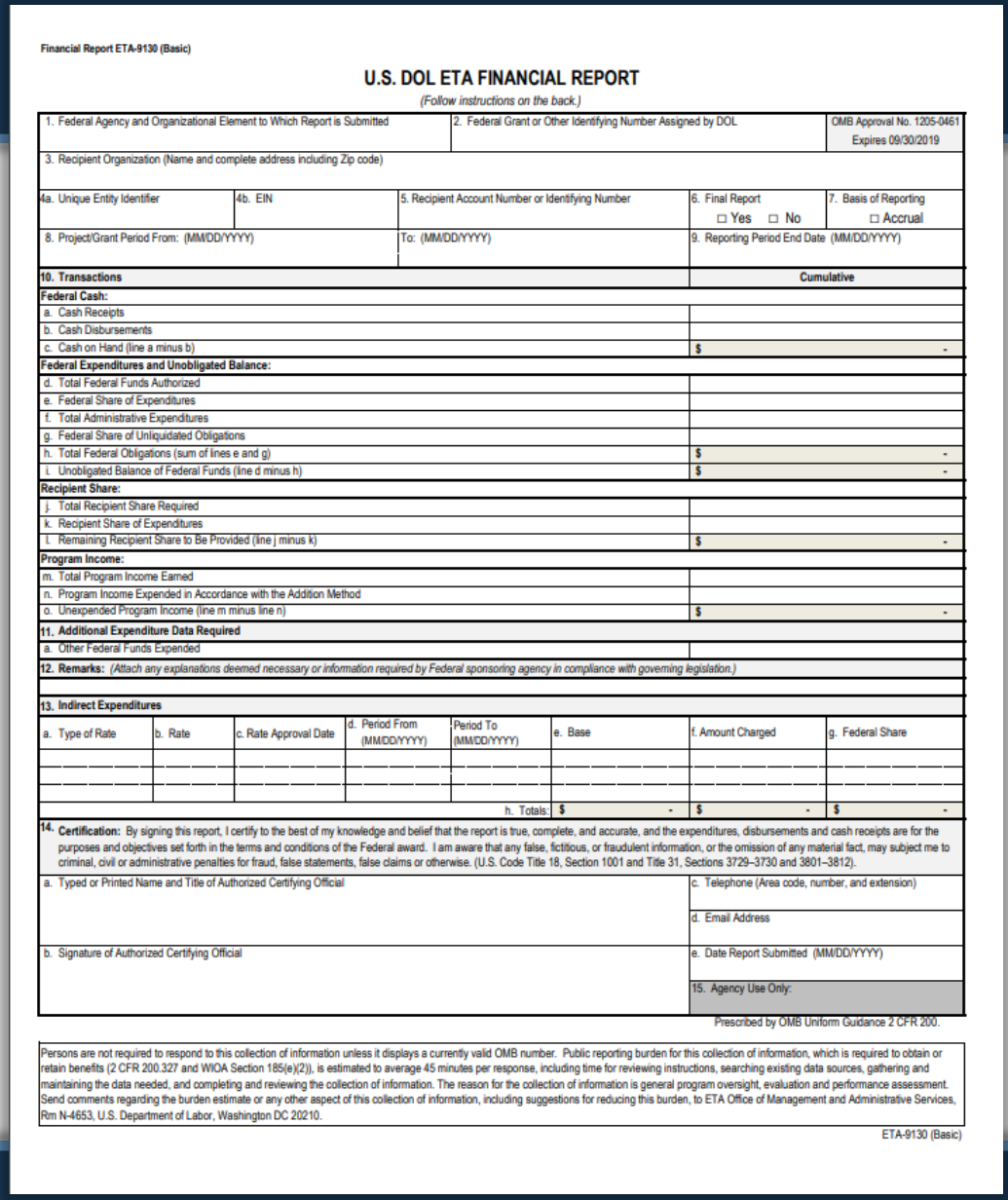
ETA-9130 Requirements

- ✓ Identify the data elements reported on the ETA 9130 Financial Report
- ✓ Identify the different ETA 9130 sections

The ETA-9130 Financial Report

- The ETA 9130 has 14 versions:
  - Basic 9130 plus 13 program-specific versions
  - Every funding source requires its own report
  - DINAP grant recipients use ETA-9130(L) form
- Basic ETA 9130

http://www.doleta.gov/grants/financial_reporting.cfm



Financial Report ETA-9130 (Basic)

U.S. DOL ETA FINANCIAL REPORT

(Follow instructions on the back.)

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Federal Grant or Other Identifying Number Assigned by DOL	OMB Approval No. 1205-0461 Expires 09/30/2019
3. Recipient Organization (Name and complete address including Zip code)		
4a. Unique Entity Identifier / 4b. EIN	5. Recipient Account Number or Identifying Number	6. Final Report ☐ Yes ☐ No / 7. Basis of Reporting ☐ Accrual
8. Project/Grant Period From: (MM/DD/YYYY)	To: (MM/DD/YYYY)	9. Reporting Period End Date (MM/DD/YYYY)

10. Transactions	Cumulative
Federal Cash:	
a. Cash Receipts	
b. Cash Disbursements	
c. Cash on Hand (line a minus b)	$ -
Federal Expenditures and Unobligated Balance:	
d. Total Federal Funds Authorized	
e. Federal Share of Expenditures	
f. Total Administrative Expenditures	
g. Federal Share of Unliquidated Obligations	
h. Total Federal Obligations (sum of lines e and g)	$ -
i. Unobligated Balance of Federal Funds (line d minus h)	$ -
Recipient Share:	
j. Total Recipient Share Required	
k. Recipient Share of Expenditures	
l. Remaining Recipient Share to Be Provided (line j minus k)	$ -
Program Income:	
m. Total Program Income Earned	
n. Program Income Expended in Accordance with the Addition Method	
o. Unexpended Program Income (line m minus line n)	$ -
11. Additional Expenditure Data Required	
a. Other Federal Funds Expended	
12. Remarks: *(Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.)*	

13. Indirect Expenditures

a. Type of Rate	b. Rate	c. Rate Approval Date	d. Period From (MM/DD/YYYY)	Period To (MM/DD/YYYY)	e. Base	f. Amount Charged	g. Federal Share
				h. Totals:		$ -	$ -

14. 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. Typed or Printed Name and Title of Authorized Certifying Official	c. Telephone (Area code, number, and extension)
	d. Email Address
b. Signature of Authorized Certifying Official	e. Date Report Submitted (MM/DD/YYYY)
	15. Agency Use Only:

Prescribed by OMB Uniform Guidance 2 CFR 200.

Persons are not required to respond to this collection of information unless it displays a currently valid OMB number. Public reporting burden for this collection of information, which is required to obtain or retain benefits (2 CFR 200.327 and WIOA Section 185(e)(2)), is estimated to average 45 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The reason for the collection of information is general program oversight, evaluation and performance assessment. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to ETA Office of Management and Administrative Services, Rm N-4653, U.S. Department of Labor, Washington DC 20210.

ETA-9130 (Basic)

Sections of the ETA 9130

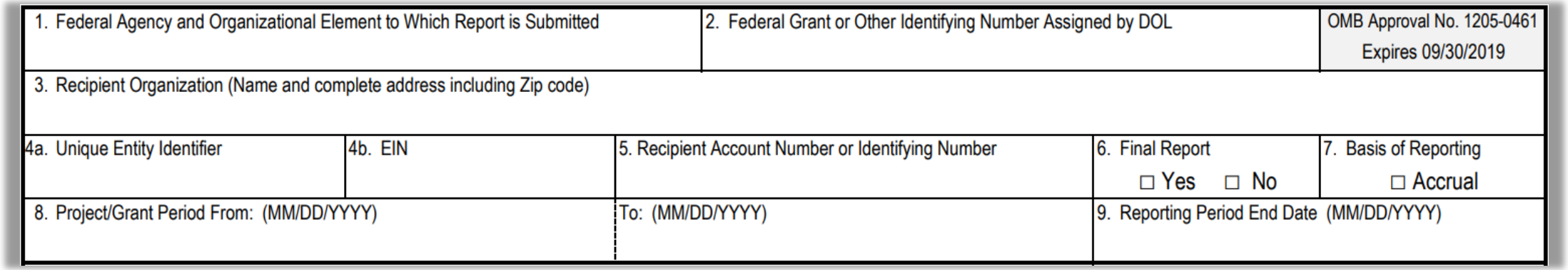
- ✓ Basic Information
- ✓ Federal Cash Section (10a-10c)(1-9)
- ✓ Federal Expenditures and Unobligated Balance (10d-10i)
- ✓ Recipient Share (10j-10l)
- ✓ Program Income (10m-10o)
- ✓ Additional Expenditure Data Required (11)
- ✓ Remarks (12)
- ✓ Indirect Expenditures (13a-13g)
- ✓ Certification (14)



ETA-9130 Report Basic Information

Sections 1-9

1. Federal Agency
2. Federal Grant Number
3. Recipient Organization
4. Unique Entity Identifier / EIN
5. Recipient Account Number
6. Final Report
7. Basis of Reporting
8. Project Grant Period
9. Reporting End Date



1. Federal Agency and Organizational Element to Which Report is Submitted		2. Federal Grant or Other Identifying Number Assigned by DOL		OMB Approval No. 1205-0461 Expires 09/30/2019
3. Recipient Organization (Name and complete address including Zip code)				
4a. Unique Entity Identifier	4b. EIN	5. Recipient Account Number or Identifying Number	6. Final Report ☐ Yes ☐ No	7. Basis of Reporting ☐ Accrual
8. Project/Grant Period From: (MM/DD/YYYY)		To: (MM/DD/YYYY)	9. Reporting Period End Date (MM/DD/YYYY)	

Federal Cash

- 10a: Cash Receipts
  - What did you draw down from the PMS as of the report quarter end date?
  - Data pre-entered for non-formula; data must be entered for WIOA formula programs
- 10b: Cash Disbursements
  - What cash has been disbursed?
  - Of cash drawn down from PMS, how much disbursed for grant activities?
- 10c: Cash on Hand
  - Automatic calculation
  - Excess cash requirements apply, explain in Remarks

10. Transactions	Cumulative
Federal Cash:	
a. Cash Receipts	
b. Cash Disbursements	
c. Cash on Hand (line a minus b)	$ -

Cash – Keep in Mind



- Cash disbursements (line 10b) cannot be greater than cash receipts (line 10a)
- Generally cash disbursements (line 10 b cannot be greater than federal share of expenditures (line 10e)
- What if too much cash is drawn?
  - Immediate needs
  - Returning funds to PMS or after grant has closed - ETA-ARTeam@dol.gov
- Must address any and all issues with explanation in Section 12 Remarks

Cash – Issues

- What documentation is used to determine how much to draw down from PMS?
  - Accruals beyond immediate cash needs
  - Use grant funds to pay for other activities
- Must deposit funds in an interest bearing account



Federal Expenditures and Unobligated Balance

- Lines 10d through 10i
  - 10d. Federal funds authorized
  - 10e. Federal Share of Expenditures
  - 10f. Administrative Expenditures
  - 10g. Unliquidated obligations
  - 10h. Total Federal obligations
  - 10i. Unobligated Balance

Federal Expenditures and Unobligated Balance:	
d. Total Federal Funds Authorized	
e. Federal Share of Expenditures	
f. Total Administrative Expenditures	
g. Federal Share of Unliquidated Obligations	
h. Total Federal Obligations (sum of lines e and g)	$ -
i. Unobligated Balance of Federal Funds (line d minus h)	$ -

10e Federal Share of Expenditures

- Line 10e includes actual cash paid out plus the value of all goods / services received but not yet paid.
- Cannot exceed 10d (Federal funds) – hard edit
- Will usually be greater than 10b
- Net of Refunds, Rebates and Credits
- If less than prior reported cumulative amount
  - Soft Edit, Caution, Remarks must include explanations

Expenditures – Keep in Mind



- Examples of accruals:
  - Salaries
  - Goods received but invoices not paid
  - Goods or services received; not yet invoiced
- NOT Accruals:
  - Orders placed but not yet received
  - Obligations
  - Encumbrances
- Accruals can be estimations
  - If accruals for estimates are actually recorded in the accounting system as accruals, they must be reversed in the following reporting period to avoid over reporting of expenditures

Expenditures – Issues

- All accruals not included
  - Grantee do not include accruals they do not have invoices for
  - Pass through entities do not collect and / or include the accruals of subrecipients
- Grantees not including expenditures for full reporting period

10f Administrative Expenditures

- Not every program uses same definition
  - WIOA definition
  - TAA
  - SCSEP
- Not all grants have same limits
- Includes direct and indirect administrative costs



10g Federal Share Unliquidated Obligations

- Unliquidated Obligations
  - The sum/value of undelivered services/goods under a legal binding agreement
  - The amount of obligations for which an accrued expenditure (line 10e) has not yet been incurred

Unliquidated Obligations – Keep in Mind



- NOT Unliquidated Obligations
  - Projected staff salaries
  - Future rents (except termination fee)
  - Budget items not yet expended
- Need to update regularly as over-obligating can lead to returning funds to DOL

Recipient Share

- ✓ 10j. Total Recipient Share Required
- ✓ 10k. Recipient Share of Expenditures
- ✓ 10l. Remaining Recipient Share to be Provided

Recipient Share:	
j. Total Recipient Share Required	
k. Recipient Share of Expenditures	
l. Remaining Recipient Share to Be Provided (line j minus k)	$ -

Recipient Share - Keep in Mind



- Required Match
  - Must be reported in the period expended
- Leveraged Resources
  - Grantees are encouraged to report leveraged resources (amounts greater than required match if there is a match requirement)
- Lack of Documentation
  - In-kind contributions need to be supported by documentation
- Stand-In Costs
  - Recipient cannot use stand-in costs to address disallowed costs unless they report these costs in the period in which they occur on line 10k

Program Income

- ✓ 10m. Total Program Income Earned
- ✓ 10n. Program Income expended
- ✓ 10o. Unexpended program income

Program Income:	
m. Total Program Income Earned	
n. Program Income Expended in Accordance with the Addition Method	
o. Unexpended Program Income (line m minus line n)	$ -

Program Income must always be SPENT FIRST before requesting new grant funds from PMS

Program Income – Keep in Mind



- ✓ Often Not Reported Correctly
- ✓ What You Need to Watch Out For
  - ► The definition of program income is at 2 CFR 200.80 (pre-UG Revisions)/ 2 CFR 200.1 (post-UG Revisions)
  - ► Direct grantees must include program income earned and expended by subrecipients

Program Income – Keep in Mind (cont.)



- Program income examples:
  - Interest from interest bearing accounts
  - Rental of space
- Program income exceptions:
  - Government revenues
  - Income earned after end of grant period
  - Donations
  - Profits of commercial organizations
  - Matching funds
  - YouthBuild proceeds from the sale of buildings constructed or renovated
  - Sale of property
  - Royalties

Additional Expenditure Data Requirements

- 11a: Other Federal funds expended: Found on all reporting forms

11. Additional Expenditure Data Required	
a. Other Federal Funds Expended	

- 11b-11d: ETA-9130(L) Indian and Native American Program
  - 11b: Employment Service Expenditures
  - 11c: Training Service Expenditures
  - 11d: Other Program Service Expenditures

11. Additional Expenditure Data Required	
a. Other Federal Funds Expended	
b. Employment Services Expenditures	
c. Training Services Expenditures	
d. Other Program Services Expenditures	

Section 11: Additional Expenditure Data Required

- 11b: Employment Services Expenditures
  - Employment Services expenditures are services to program participants such as job development and employment outreach activities.
  - This should be a portion of expenditures entered on Line 10e (Federal Share of Expenditures).
- 11c: Training Services Expenditures
  - Training Services expenditures are services provided to program participants such as occupational skill training, OJT, adult basic education, GED/HiSET/TASC attainment, etc.
  - This should be a portion of expenditures entered on Line 10e (Federal Share of Expenditures).
- 11d: Other Program Services Expenditures
  - These are all other allowable Program Services expenditures that are not identified on 11b or 11c.
  - This should be a portion of expenditures entered on Line 10e (Federal Share of Expenditures).
  - Lines 11b + 11c + 11d + 10f must = 10e (Federal Share of Expenditures).

Section 12 Remarks

- ✓ Enter Information for Items Requiring Explanations
- ✓ Excess cash on hand
- ✓ Reduction in cumulative expenditures
- ✓ Decrease in disbursements
- ✓ Other significant expenditure adjustments (e.g., FIFO adjustments, prior period changes)

12. Remarks: *(Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.)*

Section 13 Indirect Expenditures

- 13. Indirect Expenditures
  - Type of Rate
  - Rate
  - Rate Approval Date
  - Period
  - Base
  - Amount Charged
  - Federal Share
  - Totals

13. Indirect Expenditures							
a. Type of Rate	b. Rate	c. Rate Approval Date	d. Period From (MM/DD/YYYY)	Period To (MM/DD/YYYY)	e. Base	f. Amount Charged	g. Federal Share
				h. Totals:	$ -	$ -	$ -

Section 14 Certification

- ✓ Certification done by entering PIN
- ✓ Same as affixing a signature of authorized Certifying Official

14. 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. Typed or Printed Name and Title of Authorized Certifying Official	c. Telephone (Area code, number, and extension)
	d. Email Address
b. Signature of Authorized Certifying Official	e. Date Report Submitted (MM/DD/YYYY)
	15. Agency Use Only:

Knowledge Check 1 – Questions

True or False?

1. If the accounting system is on a cash basis, accrual reporting is not required.
2. ETA 9130 Report line 10.b, Cash Disbursements should always equal or exceed line 10.e, Federal Share of Accrued Expenditures.
3. Examples of accruals include salaries, goods received but invoices not paid, and goods or services received but not yet invoiced.
4. Interest income earned on DINAP funds must be included as program income on the ETA 9130 report.

Knowledge Check 1 – Answers

1. If the accounting system is on a cash basis, accrual reporting is not required. **False**
2. ETA 9130 Report line 10.b, Cash Disbursements should always equal or exceed line 10.e, Federal Share of Accrued Expenditures. **False**
3. Examples of accruals include salaries, goods received but invoices not paid, and goods or services received but not yet invoiced. **True**
4. Interest income earned on DINAP funds must be included as program income on the ETA 9130 report. **True**

Subrecipient Reporting

- Refer to the Financial Reporting modules at our Grants Application and Management community page on WorkforceGPS at for a full discussion on Subrecipient financial reporting:
  - https://grantsapplicationandmanagement.workforcegps.org/

Common Reporting Issues

- ✓ Avoid common mistakes and their consequences

Common Reporting Issues and Mistakes

- Recipients and subrecipients not reporting on accrual basis
- Cash disbursements exceed expenditures
- Inaccurate reporting at subrecipient levels, which results in inaccurate reporting by direct recipients
- Important data items not collected from subrecipients
- Administrative expenses exceeding limit
- Classifying administrative expenses as program costs
- Calculating/reporting indirect costs on basis other than that prescribed in negotiated rate agreement
- Inconsistent reporting
- Underreporting of program expenditures
- Late reporting

Solutions for Reporting Issue

- ✓ Develop instructions and format for subrecipient reporting
- ✓ Spell out the reporting requirements to your subrecipients
- ✓ Provide definitions and explanations of each reporting item on your reporting format



Module Review

- ✓ Accurate financial reporting from all levels where funds are expended requires understanding of the rules, definitions and reporting elements
- ✓ Financial data reported each quarter can impact future funding levels and other budget decisions
- ✓ Authorized individual entering PIN is certifying that report is accurate, complete and complies with reporting requirements
- ✓ Accurate and complete financial reporting by subrecipients is critical to a direct grantee's own reporting accuracy



Core Monitoring Guide – Objective 3.b Accounting System and Financial Reporting

- Indicator 3.b.1: Basis of Reporting
  - Is there a policy in place that ensures accounts are reporting on an accrual basis?
- Indicator 3.b.2: Financial Reporting
  - Does the grant recipient have procedures in place to ensure that it obligates and expends the funds within the period of availability and within the period of performance specified in the Grant Agreement or grant modification?
- Indicator 3.b.3: Subrecipient's Financial Reporting
  - If the subrecipient uses estimated accrual data, does the PTE understand the basis of the estimate and verifies if reasonable?
- Indicator 3.b.4: Performance Reports
  - How does the grant recipient ensure spending in accordance with its performance? Will funds be exhausted prior to meeting performance goals? If so, how with the grant recipient address this?



SMART Checklist

✓ Financial Reporting

- ❑ Develop and update procedures that track obligations, accrued expenditures, and disbursements to include the data elements identified at 2 CFR 200.302.
- ❑ Develop a process to track accrual data in the accounting system or separately as required by DOL, including subsequent liquidation or reconciliation of accrual data.
- ❑ Install a process to collect and summarize financial data from subrecipients in order to meet DOL financial reporting deadlines.
- ❑ Develop or update procedures that properly track match, leverage resources, program income, and indirect costs to ensure timely collection and accurate submission on the required financial report (ETA-9130).

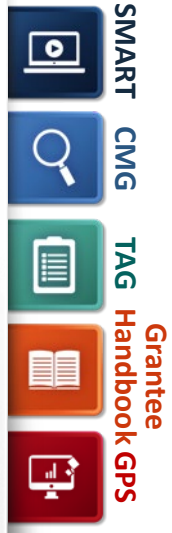
SMART Checklist (cont.)

- Install processes to periodically monitor and provide complete disclosure of the financial results of the award.
- Test and install measures that allow the accounting system/software to generate the necessary financial reports and financial statements needed for a Comprehensive Annual Financial Report (CAFR), Single Audit, Cost Allocation Plan, and/or Indirect Cost Rate proposal.
- Develop and update procedures that track obligations, accrued expenditures, and disbursements to include the data elements identified at 2 CFR 200.302.



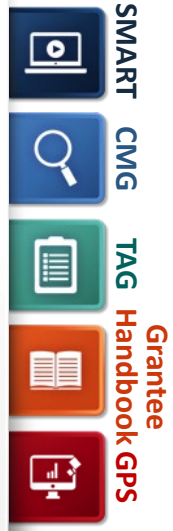
ETA and Uniform Guidance Resources

- ✓ Core Monitoring Guide
  - *Objective 3.b: Accounting System and Financial Reporting*
- ✓ Grant & Financial Management Technical Assistance Guide
  - *Chapter 11: Financial Reporting*
- ✓ TEGL 2-16: Revised ETA-9130 Financial Report, Instructions, and Additional Guidance
- ✓ TEGL 20-19: Revised ETA-9130 Financial Report, Instructions, and Additional Guidance
- ✓ ETA 9130 Form Instructions and various forms
- ✓ Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR Part 200
  - *2 CFR 200.80*
  - *2 CFR 200.302*
  - *2 CFR 200.327*
- ✓ Department of Labor Exceptions 2 CFR Part 2900
  - *2 CFR 2900.14*

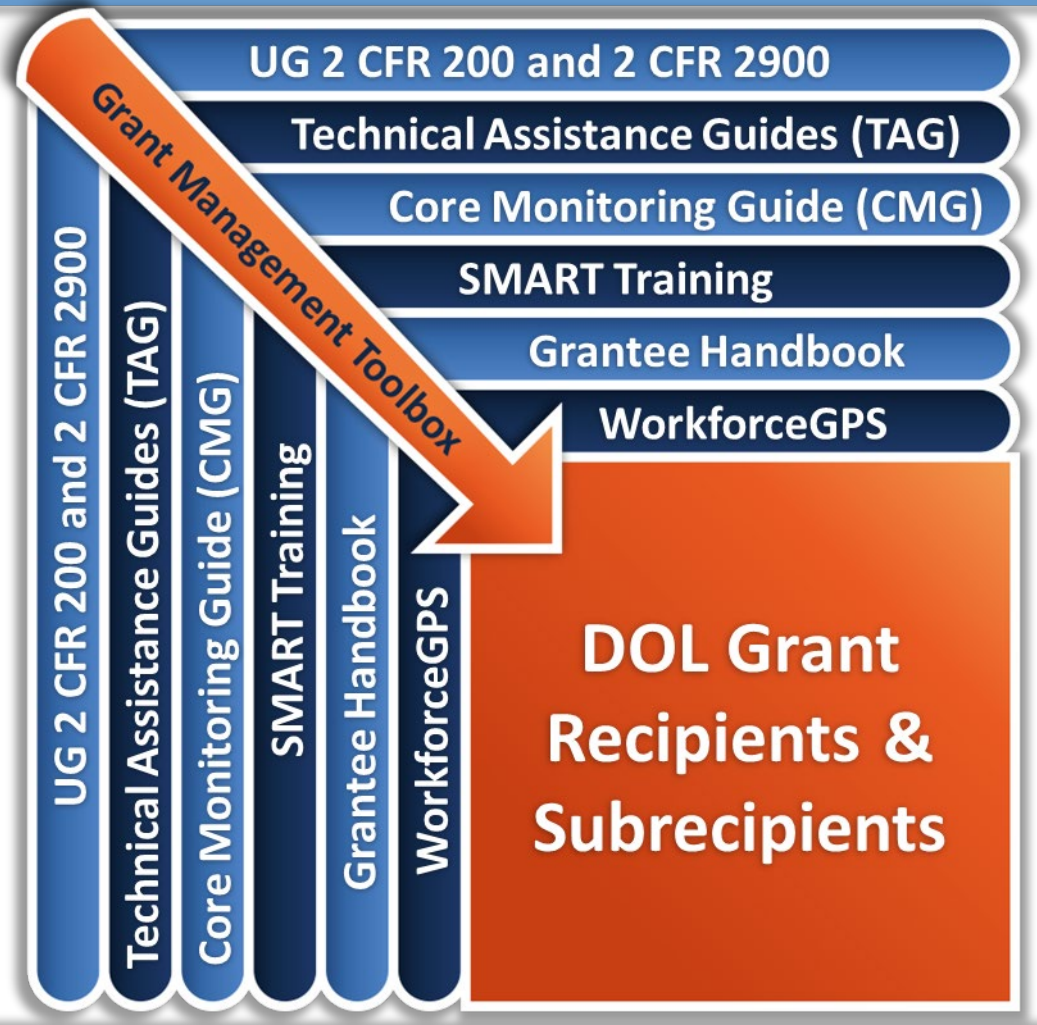


Web Resources

- What is the best way to find your local American Job Center (AJC)?
  - *See DOL's Service Locator*
- Want More Information?
  - *DOLETA.gov/Grants*
    - *Funding Opportunities*
    - *How to Apply*
    - *Manage Your Awarded Grant*
    - *Resources and Information*
      - *ETA Grantee Handbook*
      - *Annual Grant Terms Template*
      - *Core Monitoring Guide*
      - *Technical Assistance Guides*
      - *Uniform Guidance Quick Reference Sheet*
- Want More Training?
  - *Workforce GPS's Grants Application and Management Community of Practice*
    - *Financial Reporting*
    - *Subrecipient Management and Oversight*
    - *Indirect Cost Rates*
    - *Policies and Procedures*
    - *Procurement and Performance-Based Contracts*
    - *Capital Assets and More*
  - *WorkforceGPS*



Remember the Grant Management Toolbox!



Questions?



Please complete your evaluations.

