



OFFICE OF
HOUSING COUNSELING

U.S. Department of Housing and Urban Development Office of Housing Counseling



Facilitated by
Booth Management Consulting
7230 Lee Deforest Drive, Suite 202
Columbia, MD 21046

Completing the Federal Financial Report (SF-425)

March 19, 2019 2pm EST

Webinar Logistics



1. Audio is being recorded. The playback number along with the PowerPoint and a transcript will be available on the HUD Exchange at www.hudexchange.info/programs/housing-counseling/webinars/
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**Facilitated By
Petergay Bryan
Audit Manager
Booth Management Consulting**

Training Topics



1. Purpose of the Form
2. Submission Requirements
3. Completing the SF-425
4. Common Errors
5. Things to Remember
6. Available Assistance



Purpose of the Form



The Federal Financial Report (FFR), also referred to as the Standard Form (SF) 425 form, is a required Office of Management and Budget (OMB) financial reporting form to track the status of financial data (obligations and disbursements) tied to a particular Federal grant award.

- Indicates funds drawn down and remaining balance at the end of the reporting period.
- Supporting documents must be maintained to show how drawn down funds were allocated to the HUD/OHC grant.
- Separate FFR/SF-425 required for each grant.

Submission Requirements



- Intermediaries, SHFAs, and MSOs are required by the HUD grant agreement to submit a FFR/SF-425.
- It must be submitted every quarter, regardless of whether expenses were incurred or not, once the project has begun.
- Quarterly reports are due no later than 30 calendar days after the last day of a calendar year quarter.
- Final reports are due no later than 90 calendar days after the last day of the period of performance.
- ALL amounts must be cumulative.

Submission Requirements (cont.)



- All lines must be completed (enter \$0 or N/A).
- If additional space is needed, include supplemental pages indicating:
 - Federal Grant Agreement Number
 - Name of Organization
 - Data Universal Numbering System (DUNS) Number
 - Employer Identification Number (EIN)
 - Period covered by the report
- If delinquent in prior period reporting, once the project has begun or at least one report has been submitted, submit reports for each delinquent quarter.

Submission Requirements



For Example:

The current reporting period is for the quarter ending 3/31/19. Your agency's last quarterly report was submitted for the quarter ending 09/30/18. Your agency must submit individual quarterly reports for the reporting periods ending:

- 12/31/18
- 3/31/19



Submission Requirements (cont.)



- Submit reports to HUD POC with quarterly financial reporting package.
- Must request due date extension and receive approval in writing.
- Modified or Amended reports should be clearly identified by writing **MODIFIED** or **AMENDED** on report.



Completing the FFR/SF-425



Example 1:

Scenario:

- Grant Year: FY2018
- First report for grant year
- Reporting period end date 12/31/2018
- Grant Award Amount: \$100,000
- Cash Disbursements made by grantee as of 12/31/2018: \$35,000
- Draw Down Requests as of reporting end date: \$0
- YTD Program Income: \$15,000



Completing the FFR/SF-425



FEDERAL FINANCIAL REPORT					
(Follow form instructions)					
1. Federal Agency and Organizational Element U.S. Department of Housing & Urban Development Office of Housing Counseling		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) HC18-1234-000		Page 1	Of Pages 1
3. Recipient Organization (Name and complete address including ZIP code) John Doe Housing Authority, 1000 Main Hwy, Atlanta, GA 00000					
4a. DUNS Number 08200000	4b. EIN 12345678	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment) N/A	6. Report Type <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final	7. Basis of Accounting <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual	
8. Project/Grant Period From: (Month, Day, Year) October 1, 2017		To: (Month, Day, Year) September 30, 2019		9. Reporting Period End Date (Month/Day/Year) December 31, 2018	

Block 1. Office that awarded the agreement

Block 2. HUD agreement number

Block 3. Recipient address - same as on the grant agreement

Block 4a. Recipient DUNS number

Block 4b. Recipient EIN number

Block 5. N/A since HUD did not issue a recipient account number

Block 6. Reporting frequency as specified in the agreement

Block 7. Recipient accounting method, cash, or accrual (cash basis refers to the accounting method in which expenses are recorded when they are paid. For accrual basis, expenses are recorded when incurred)

Block 8. Grant period of performance (not to be confused with the reporting period end date)

Block 9. The quarter end date of the current reporting period

Completing the FFR/SF-425



Block 10. Transactions

FEDERAL CASH: *Enter cumulative amounts from the date of award through the end date of the current reporting period.*

- a. **CASH RECEIPTS:** cumulative amount of actual Federal funds received as of reporting period end date.



Completing the FFR/SF-425



Block 10. Transactions

FEDERAL CASH: Enter cumulative amounts from the date of award through the end date of the current reporting period.

- b. CASH DISBURSEMENTS:** cumulative amount of disbursements made by grantee as of period end date.



Completing the FFR/SF-425



Block 10. Transactions

FEDERAL CASH: Enter cumulative amounts from the date of award through the end date of the current reporting period.

c. CASH ON HAND:

- Line 10A minus Line 10B
- Negative balance represents immediate Cash needs



**NOTE: If line (c) is greater than \$0.00
AN EXPLANATION MUST BE PROVIDED.**

Completing the FFR/SF-425



10. Transactions	Cumulative
<i>(Use lines a-c for single or multiple grant reporting)</i>	
Federal Cash (To report multiple grants, also use FFR Attachment):	
a. Cash Receipts	0
b. Cash Disbursements	35,000
c. Cash on Hand (line a minus b)	(35,000)

Completing the FFR/SF-425



<i>(Use lines d-o for single grant reporting)</i>	
Federal Expenditures and Unobligated Balance:	
d. Total Federal Funds Authorized	100,000
e. Federal Share of Expenditures	35,000
f. Federal Share of Unliquidated Obligations	0
g. Total Federal Share (sum of lines e and f)	35,000
h. Unobligated Balance of Federal Funds (line d minus g)	65,000

Federal expenditures and unobligated balance:

- d. Cumulative obligated (awarded) amount of federal funds to include original obligation and any modifications
- e. Cumulative federal dollars spent as of the reporting period end date (usually the same as Line (b))
 - Cash Basis: sum of direct expenses, indirect expenses, payments made to sub-recipients.
 - Accrual Basis: sum of direct expenses, indirect expenses, payments made to sub-recipients, payments to sub-recipients, accrued amounts incurred.

Completing the FFR/SF-425



<i>(Use lines d-o for single grant reporting)</i>	
Federal Expenditures and Unobligated Balance:	
d. Total Federal Funds Authorized	100,000
e. Federal Share of Expenditures	35,000
f. Federal Share of Unliquidated Obligations	0
g. Total Federal Share (sum of lines e and f)	35,000
h. Unobligated Balance of Federal Funds (line d minus g)	65,000

Federal expenditures and unobligated balance cont'd.:

f. Unliquidated obligations. Usually \$0.00.

- Cash basis: obligations incurred but not yet paid as of reporting period end date.
- Accrual basis: obligations incurred but not yet recorded as of end of reporting period.

- Do not include any amounts that are already included in Line 10E.
- Do not include amounts in Line 10F that is for a future commitment, i.e. for which an obligation or expense has not been incurred.

g. Line (e) + Line (f)

h. Line (d) – Line (g) = the amount of federal funds remaining

Completing the FFR/SF-425



- Cumulative reporting provides a sum of expenditures for the life of a grant. To arrive at cumulative total, add all expenses incurred to date.
- In the example that follows, Block 10e-Federal Share continues to increase in each successive SF-425 to show the total amount of expenditures to date. If a reporting error has occurred, and in order to correct the SF-425 a deduction from either block is necessary, your agency is required to make a notation in Block 12-Remarks.



Completing the FFR/SF-425



For Example:

- For the reporting period 10/01/17 to 12/31/18, Federal expenditures = \$35,000
- For the reporting period 1/01/19 to 3/31/19, Federal expenditures = \$20,000

The Federal Expenditures and Unobligated Balance Section of the report should be completed as follows:

SF-425 Reporting Period Ended 12/31/2018

Federal Expenditures and Unobligated Balance:

10d.	Total Federal funds authorized	100,000
10e.	Federal share of expenditures	35,000
10f.	Federal share of unliquidated obligations	-
10g.	Total Federal Share (sum lines e & f)	35,000
10h.	Unobligated balance of Federal funds (line d minus g)	65,000

SF-425 Reporting Period Ended 3/31/2019

Federal Expenditures and Unobligated Balance:

10d.	Total Federal funds authorized	100,000
10e.	Federal share of expenditures \$35,000 + \$20,000	55,000
10f.	Federal share of unliquidated obligations	-
10g.	Total Federal Share (sum lines e & f)	55,000
10h.	Unobligated balance of Federal funds (line d minus g)	45,000

Completing the FFR/SF-425



Recipient Share:	
i. Total Recipient Share Required	0 or N/A
j. Recipient Share of Expenditures	0 or N/A
k. Remaining Recipient Share to Be Provided (line i minus j)	0 or N/A

This section must be completed only if there is a cost share or match required by the agreement.

Since there is no cost share or match required under the HUD grant, Lines (i), (j) and (k) should be marked “N/A or 0”



Completing the FFR/SF-425



Program Income:	
I. Total Federal Program Income Earned	15,000
m. Program Income Expended in Accordance with the Deduction Alternative	15,000
n. Program Income Expended in Accordance with the Addition Alternative	N/A
o. Unexpended Program Income (line I minus line m or line n)	0

PROGRAM INCOME:

This section must be completed if your agency will generate any income as a result of work performed under this agreement. If no income will be generated Lines (I), (m), (n) and (o) should be marked N/A. For all others:

- I. Amount of income earned as a result of this agreement
- m. Refer to agreement
- n. Refer to agreement
- o. Line (I) – line (m) or (n) as applicable

Completing the FFR/SF-425



PROGRAM INCOME EXAMPLE:

Program Income funds are deducted from the total award's allowable costs to determine the net allowable cost on which HUD's share is based.

Example: Funds needed for Housing Counseling Program in \$200,000. \$15,000 is earned in Program Income. This income must be used to offset the HUD award. Total amount of funds for the housing counseling program remains at \$200,000 (\$185,000 may be from HUD OHC and \$15,000 from Program Income). HUD award must not exceed \$185,000 in this scenario.



Completing the FFR/SF-425



11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
	De Minimis	10%	10/1/2017	9/30/2019	\$30,000	\$3,000	\$3,000
				g. Totals:	\$30,000	\$3,000	\$3,000

Block 11. Indirect Expenses

This section must be completed if recipient is charging indirect costs, otherwise put \$0.00 or N/A.

- Type of indirect cost rate: Provisional, Predetermined, Final, Fixed, 10% De Minimis
- Rate (%) in effect during the reporting period
- Beginning and ending dates for the effective rate
- Amount of the base against which the rate was applied. Example: If the agreement provides for indirect costs and the rate negotiated was computed using salaries and wages only, then the rate may only be applied to the amount paid for salaries and wages (not to travel, equipment, or other direct costs etc.)
- Multiply 11(b) x 11(d) f. 11(f) = 11(e) unless charging the government less than the indirect costs incurred. g. Enter totals for columns 11(d), 11(e) and 11(f)

Completing the FFR/SF-425



12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:	
13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)	
a. Typed or Printed Name and Title of Authorized Certifying Official <i>Jane Doe, Executive Director</i>	c. Telephone (Area code, number and extension): <i>888-800-5555</i>
	d. Email Address: <i>johndoe@jdha.com</i>
b. Signature of Authorized Certifying Official	e. Date Report Submitted (Month, Day, Year): <i>1/15/2019</i>
14. Agency use only:	
Standard Form 425 OMB Approval Number: 0348-0081 Expiration Date: 10/31/2011	

Block 12. Remarks

Agency should attach any explanations to be included with the report.

Block 13. Certification

Ensure all information is legible:

- Print or type the name of the person authorized to sign this document
- Signature of the person authorized to sign this document
- Telephone number of the person to contact for questions
- E-mail address of the person to contact for questions
- Submission date

Completing the FFR/SF-425



Example 2:

Scenario:

- Grant Award Amount: \$98,171.87
- Approved NICRA: 23.46% of total direct costs
- Draw Down Requests as of reporting end date: \$0
- YTD Program Income: \$0

Completing the FFR/SF-425



Example 2:

First Quarterly Financial Report – Itemized Accounting of Actual Costs Excerpt

Expense Category	Q1 Amount
Salaries	36,488.27
Fringe Benefits	7,297.65
Travel	5,053.78
Subtotal of Direct Costs	<u>48,839.70</u>
Indirect Costs (Rate 23.46%)	11,457.79
Total Costs	<u>60,297.49</u>

Completing the FFR/SF-425



First Quarterly Financial Report – FFR Excerpt

10. Transactions						Cumulative	
<i>(Use lines a-c for single or multiple grant reporting)</i>							
Federal Cash (To report multiple grants, also use FFR Attachment):							
a. Cash Receipts						0.00	
b. Cash Disbursements						60,297.49	
c. Cash on Hand (line a minus b)						(60,297.49)	
<i>(Use lines d-o for single grant reporting)</i>							
Federal Expenditures and Unobligated Balance:							
d. Total Federal funds authorized						98,171.87	
e. Federal share of expenditures						60,297.49	
f. Federal share of unliquidated obligations						0.00	
g. Total Federal share (sum of lines e and f)						60,297.49	
h. Unobligated balance of Federal funds (line d minus g)						37,874.38	
Recipient Share:							
i. Total recipient share required						0.00	
j. Recipient share of expenditures						0.00	
k. Remaining recipient share to be provided (line i minus j)						0.00	
Program Income:							
l. Total Federal program income earned						0.00	
m. Program income expended in accordance with the deduction alternative						0.00	
n. Program income expended in accordance with the addition alternative						0.00	
o. Unexpended program income (line l minus line m or line n)						0.00	
11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
	NICRA	23.46%	1/1/2016	12/31/2020	48,839.70	11,457.79	11,457.79
	g. Totals:				48,839.70	11,457.79	11,457.79

Completing the FFR/SF-425



Example 2:

Final Quarterly Financial Report – Itemized Accounting of Actual Costs Excerpt

Expense Category	Q2 Amount	YTD Amount
Salaries	23,086.27	59,574.54
Fringe Benefits	4,617.25	11,914.90
Travel	2,973.93	8,027.71
Subtotal of Direct Costs	<u>30,677.45</u>	<u>79,517.15</u>
Indirect Costs (Rate 23.46%)	7,196.93	18,654.72
Total Costs	<u>37,874.38</u>	<u>98,171.87</u>

Completing the FFR/SF-425



Final Quarterly Financial Report – FFR Excerpt

10. Transactions						Cumulative	
<i>(Use lines a-c for single or multiple grant reporting)</i>							
Federal Cash (To report multiple grants, also use FFR Attachment):							
a. Cash Receipts						60,297.49	
b. Cash Disbursements						98,171.87	
c. Cash on Hand (line a minus b)						(37,874.38)	
<i>(Use lines d-o for single grant reporting)</i>							
Federal Expenditures and Unobligated Balance:							
d. Total Federal funds authorized						98,171.87	
e. Federal share of expenditures						98,171.87	
f. Federal share of unliquidated obligations						0.00	
g. Total Federal share (sum of lines e and f)						98,171.87	
h. Unobligated balance of Federal funds (line d minus g)						0.00	
Recipient Share:							
i. Total recipient share required						0.00	
j. Recipient share of expenditures						0.00	
k. Remaining recipient share to be provided (line i minus j)						0.00	
Program Income:							
l. Total Federal program income earned						0.00	
m. Program income expended in accordance with the deduction alternative						0.00	
n. Program income expended in accordance with the addition alternative						0.00	
o. Unexpended program income (line l minus line m or line n)						0.00	
11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
	NICRA	23.46%	1/1/2016	12/31/2020	79,517.15	18,654.72	18,654.72
g. Totals:					79,517.15	18,654.72	18,654.72

Common Errors

Common Errors



FEDERAL FINANCIAL REPORT				
(Follow form instructions)				
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)		Page 1 of pages
3. Recipient Organization (Name and complete address including Zip code)				
4a. DUNS Number	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final	7. Basis of Accounting <input type="checkbox"/> Cash <input type="checkbox"/> Accrual
8. Project/Grant Period From: (Month, Day, Year)		To: (Month, Day, Year)	9. Reporting Period End Date (Month, Day, Year)	
10. Transactions			Cumulative	

1. Incomplete forms
2. Not submitting a report each quarter
3. Late reporting
4. Not reporting the correct grant number
5. Not capturing the accurate reporting type
6. Not reporting the accurate reporting period end date

Common Errors



10. Transactions	Cumulative
<i>(Use lines a-c for single or multiple grant reporting)</i>	
Federal Cash (To report multiple grants, also use FFR Attachment):	
a. Cash Receipts	
b. Cash Disbursements	
c. Cash on Hand (line a minus b)	

10 (a) Not reporting the correct amount of the grant funds (received) as of the beginning of the grant reporting period to the reporting period end date.

10 (b) Not reporting the correct amount of Federal funds disbursed from the start of the award through the reporting period end date.

Common Errors



(Use lines d-o for single grant reporting)	
Federal Expenditures and Unobligated Balance:	
d. Total Federal funds authorized	
e. Federal share of expenditures	
f. Federal share of unliquidated obligations	
g. Total Federal share (sum of lines e and f)	
h. Unobligated balance of Federal funds (line d minus g)	

10 (e) Not reporting the correct amount of actual disbursements (direct and indirect expenses) charged to the grant as of the reporting period end date.

10 (f) Not reporting all incurred expenses owed (un-liquidated obligations) but not yet recognized.

Common Errors



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

10 (l) Not reporting the cumulative amount of program income received during beginning of the grant reporting period to the reporting period end date.

10 (m) Not reporting the correct amount of program income expended for HUD grant activities supported under the grant during the reporting period end date.

Common Errors



Not including notes for the following exceptions:

1. Cash on Hand
2. Unobligated Balance of Federal Funds (Line 10h)
3. Unexpended Program Income



Things to Remember

Things to Remember



1. Double-check to make sure the FFR is completed correctly and contains all required information and signatures.
2. Have a copy of award notification available for reference purposes.
3. Have copies of the last reported FFR (to refer to), if not a new grant. If new, this would be the 1st report.
4. Program outlays and program income should be reported on the same accounting basis (either cash or accrual) that is used in the normal accounting system.
5. A 'FINAL' FFR should be submitted for the duration of the grant with no unliquidated obligations before HUD can accept the "FINAL" FFR to close out the award.
6. An extension should be requested in writing prior to the due date for the SF-425 is necessary.

Available Assistance

Available Services — Training



Training

Menu	Description	Onsite and/or Remote
Completing the Federal Financial Report (SF-425)	One-on-one training with staff on how to accurately complete the SF-425, with examples	Optional
Financial Management System Training	Training staff on maintaining a compliant financial management system; configuration of the accounting system; and development and training on relevant policies, procedures and internal controls	Optional
Grant Financial Reporting	Training staff on financial reporting requirements, due dates, required supporting documents, document retention	Optional

Available Services — Financial Analysis



Financial Analysis

Menu	Description	Onsite and/or Remote
Quarterly Financial Reporting Review	Review of quarterly financial reports for accuracy and completeness	Optional



Requesting Services



1. **REQUEST HUD POC emails a BMC GTM and requests the service:** States service required, grantee name, agency's contact information, and available information to complete the service
2. **APPROVAL:** GTM reviews the request, verifies it meets contractual requirements, and schedules with BMC
3. **COMPLETION:** BMC will complete the service and submit the final deliverable to the GTMs



Benefits to Grantees



1. Comprehensive assistance to grantees to minimize the burdens of implementation of new regulations
2. Potentially reduce findings during performance and financial reviews
3. Provide financial and administrative technical assistance to grantees that can be transferred to other Federal programs
4. Reduce administrative burden through training of sub-grantees



Please forward any questions to:
housing.counseling@hud.gov
with
“Completing the FFR-SF-425”
in the Subject line

Note: Only questions related to the HUD, Office of Housing Counseling, Comprehensive Housing Counseling grant will be accepted and responded to.