

SOPP # 711 (TREASURY) GRANT & PROJECT MANAGEMENT	<u>Prepared By:</u> Department of Finance
<u>Effective Date:</u> Jan 2022	<u>Approved By:</u> Commissioner of Finance
Title	MANAGEMENT OF ELECTRONIC FEDERAL DRAWDOWN OF FUNDS FOR GRANT EXPENSES
Purpose	<ul style="list-style-type: none"> • To provide a comprehensive, coordinated, timely, and secure policy for managing the federal drawdown of funds for payment of grant-related expenses. • To ensure that those who are responsible for electronic federal drawdown work processes have adequate information in a timely manner and can perform their duties accurately. • To meet all cash requirements for grant management in compliance with federal CMIA policies and; • To provide accurate reporting, reconciliation, and recordkeeping.
Policy	<ul style="list-style-type: none"> • For purposes of accessing federal funds on behalf of the Government of the Virgin for settlement (or reimbursement) in the Treasury Division of the Department of Finance (DOF), a federal drawdown is considered the transfer of funds from the federal grantor to DOF for reimbursements of government expenditures advanced from the General Fund. • Funds shall be drawn down by the department/agency (or grantee) to reimburse the Government of the Virgin Islands (via the Treasury Division of DOF) for government expenditures advanced from the General Fund. • DOF will not be obligated to disburse any funds before the request date specified in a properly executed <u>“Drawdown Request & Project Summary Report.”</u> • All drawdowns will be requested in the methods stipulated in SOPP# 711. <p>KEY POINTS-OF-CONTACT:</p> <p>Each Department/Agency Head must:</p> <ul style="list-style-type: none"> • Identify a supervisory level primary and secondary point-of-contact responsible for managing all federal drawdowns of grant

funds. The following information for each key point-of-contact must be submitted to the Department of Finance, Treasury Division **no later than five (5) business days following the promulgation of SOPP# 711 and within three (3) business days of any change(s) made to the following personnel:**

- Department/Agency
- First and Last Name
- Position Title
- Telephone and Fax Number
- Government Email Address

- Provide the Department of Finance, Treasury Division with a listing of all department/agency personnel who perform the function of drawing federal funds on any online and/or manually-driven federal drawdown system(s) **no later than five (5) business days following the promulgation of SOPP# 711 and within three (3) business days of any change(s) made to any of the following information related to the above-mentioned personnel:**

- First and Last Name
- Position Title
- Telephone and Fax Number
- Government Email Address
- Name of Federal Drawdown System

- Provide the Department of Finance, Treasury Division with a listing of all department/agency personnel who post federal revenues into the ERP System, **no later than five (5) business days following the promulgation of SOPP# 711 and within three (3) business days of any change(s) made to any of the following information related to the above-mentioned personnel:**

- First and Last Name
- Position Title
- Telephone and Fax Number
- Government Email Address

- Maintain procedures within the Department/Agency to ensure that employees who handle federal drawdowns must first contact the internal supervisory **primary or secondary point-of-contact** to resolve issues prior to contacting the Department of Finance, Treasury Division.

- The Director of the Treasury at the Department of Finance must identify a primary and secondary point-of-contact within the Division of Treasury to resolve federal drawdown related issues. The following information will be provided to each key point of contact within a Department/Agency:

- First and Last Name
- Position Title
- Phone and Fax
- Government email address

**FEDERAL DRAWDOWN POLICIES:
Agencies and Departments**

- Are strictly prohibited from drawing down federal funds prior to check issuance, unless authorized by their grant.
- Will monitor their vendor expenses by preparing the “Paid Invoice Report” through the ERP System. Normal check runs are done every Tuesday and Thursday; therefore, the Paid Invoice Report would be accessible to the agencies/departments on Wednesdays and Fridays. To access the Paid Invoice Report, see steps below:
 - **GVI Department Menu**
 - **GVI Inquires & Reports**
 - **Paid Invoices Report**
 - *Click Define*
 - Execute this report: **Now**
 - Check Run: **786**, two-digit month, two-digit day, **O** represents the year 2018 {example: 7860227O to 7860227O}
 - Fiscal year/period: change to appropriate period {example: 2020 05}
 - Fiscal date range: **02/27/2020 to 02/27/2020**
 - Print Version: **Detail**
 - Account: **Org/Object**
 - ✓ **Include subtotals**
 - **Accept**
 - *Click PDF*
- Will be provided with the “Payroll Distribution Report” by department via the Treasury Division, which outlines personnel related checks paid against grant funds

	<ul style="list-style-type: none"> • Complete and attach a fully executed “Drawdown Request & Project Summary Report”, including ancillary support (e.g., payroll reports, Flexible Period Reports, etc.) to each Miscellaneous Cash Receipts batch recorded in the ERP System. • Read and sign the Acknowledgement Form for this policy, along with those assigned work related to federal grants.
Responsibilities	<p>The responsibilities of the Agencies and Departments are to:</p> <ul style="list-style-type: none"> • Identify whether the expense identified on the report is reimbursable at 100%, or whether the grant requires a different percentage. • Draw down the correct amount based on the terms and conditions of the grant. • Identify the terms and conditions of a grant which allow funds to be drawn down for indirect costs. • Complete a “Drawdown Request & Project Summary Report” that contains the signatures of all persons authorized to request a drawdown on behalf of the grantee department/agency. • Correctly calculate the available indirect funds. • Perform federal drawdowns in a timely manner that confirms to the most up-to-date Treasury State Agreement. • Post the drawdowns in the ERP System within twenty-four (24) hours of performing a drawdown transaction. • Attach the following source documentations to each drawdown related entry posted into the ERP System: <ul style="list-style-type: none"> ➤ Drawdown Request & Project Summary Report ➤ Bank Statement ➤ Grant Application ➤ Grant Award ➤ Copies of Contract/Award Letters ➤ Copies of Expenditure ➤ Copies of Reimbursement Request ➤ Copies of Payroll Budget ➤ Payroll Reports (which specifies the pay cycle) ➤ Flexible Period Report (which indicates the warrant number) ➤ Copies of Invoice(s) for vendors

- Indicate the Fiscal Year of the grant related expense for which is being reimbursed in the Misc. Description Tab. (See yellow highlight in the illustration below.)

Seq	Org	Obj	Proj	Acct Desc	Amount	Description
1	00140009	427000		COURT CHR	1.00	REIM. FY2019 EXP.

- Notify the Treasury Division with the batch number(s), which will indicate that a drawdown has occurred and has been recorded in the ERP System.

Procedures

Departments/Agencies:

FEDERAL DRAWDOWN PROCEDURES/REQUIREMENTS:

Departments and Agencies

The **key point of contact** at each Agency/Department is required to

- Draw down funds, or supervise the drawdown of funds, for both the non-personnel and personnel expenses on the identified drawdown date.
- Identify any errors on the “Paid Invoice Report”.
- Immediately notifying the Director of Accounting at the Department of Finance of the error if it can’t be fixed at your department level. If an error is reported and the check must be voided, no drawdown for these funds is necessary.
- Check the totals of the summary of personnel expenses paid for by federal grants, against their own payroll information.
- Identify any errors on the report, and immediately notify their internal contact within the Payroll Division at the Department of Finance, who must immediately take all necessary actions to correct the issue in the future and will prepare a journal entry to

correct the coding. The drawdown should include the miscoded information because the next payroll run will include the journal entry for the correction.

- Apply the correct percentage to the drawdown for each grant. In some instances, the expense is 100% reimbursable; in other instances, the expense is reimbursable at 80% or 50%.
- Draw down funds to cover indirect expenses as allowed by each grant. When these amounts are determined and drawn, the **key point of contact at Treasury must** be notified via email.
- Enter, or supervise the entry, of federal drawdown information into the ERP system, using the Miscellaneous Cash Receipts Module and the proper account codes. The ERP entries must be made within twenty-four hours (24) of performing the drawdown.
- Notify the key point of contact within the Treasury Division daily that a federal drawdown has occurred. If the drawdown is for less than 100% of the original expense, or if the drawdown is for indirect costs, the key point of contact at Treasury must be notified of this fact.
- Prepare a fully executed “Drawdown Request & Project Summary Report”, including ancillary support (e.g., payroll reports, Flexible Period Reports, etc.) to each Miscellaneous Cash Receipts batch recorded in the ERP System.
- Attach all supporting documentation of the drawdown (e.g., “Drawdown Request & Project Summary Report” and the bank statement etc.) to each entry posted into the ERP System.
- Departments/Agencies must retain copies of draw-down documents for a minimum of seven (7) years from the date of the drawdown.

Department of Finance

The **key point of contact** in the **Treasury** Division will:

- Notify each Agency/Department of the date of receipt of the funds into the local bank. Based on this date information, the Agency/Department will enter and post the drawdown into the ERP System.

- Run a release/unreleased report daily to identify federal revenues entered in the ERP and output post these federal drawdowns to the general ledger.
- Reconcile these amounts with the bank statement monthly.
- Access the bank confirmation records to identify the code for the agency that performed the federal drawdown. If they did not receive notification from an agency regarding a drawdown or is unable to identify a drawdown that appears on the bank statement, enter the unidentified information on an excel spreadsheet and immediately notify the supervisor in Treasury.
- Keep a log of unposted federal drawdowns that does not clear within two weeks.
- Email the bank confirmation sheet/bank statement to the **key point-of-contact** within the negligent department/agency if an un-posted drawdown **does not clear within one week**.
- **Notify the Commissioner of Finance, the Director of Treasury, the Commissioner/Agency Head, and the key point-of-contact of unposted drawdowns that does not clear within two weeks.**
- The Treasury Division must retain draw down documents for a minimum of seven (7) years from the date of the drawdown.

REVIEW AND RECORDKEEPING:

The **key point of contact** in **Treasury** will develop and maintain:

- A current listing of employees in each agency who have authority to draw down federal grant funds, known as the ACTIVE DRAWDOWN LIST. This list will be reviewed and updated semi-annually.
- An excel worksheet for each agency monthly which documents federal drawdowns that have not been entered in ERP for more than two (2) weeks, known as the FEDERAL ACTIVITIES REPORT. This report will be submitted to the Commissioner of Finance, the Director of Treasury, the Commissioner/Agency Head, and the key point-of-contact on a bi-weekly basis.

Revision History

Revision #	Date	Description of changes	Requested By
0	03/30/2010	Initial Release	VC,
1	06/12/2015	Conform to format	LJ, LP
2	06/30/2015	Final review	VC
3	04/30/2016	Initial revisions	VC
4	06/11/2018	Revisions	CB, SHW
5	03/13/2020	Revisions	SHW
6	12/28/2021	Review and Update	WG
7	1/5/2022	Final Review	BB

Acknowledgement Form

I have received, read, and understood the Accounting Policies & Procedures: **SOPP #711 Managing Electronic Federal Draw Downs**. I understood it is my responsibility to adhere to this policy. Should I have any questions, I will notify the GVI Department of Finance.

Print Name: _____

Signature: _____

Title: _____

Date: _____