



## Electronic Withdrawal of Federal Funds Internal Procedure

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Issued: November, 2007

### OVERVIEW

This procedure outlines how Fiscal Affairs draws down funds from federal agencies that participate in Letter of Credit (LOC), Automated Standard Application for Payments (ASAP), and other electronic payment mechanisms.

### BACKGROUND

The process for the electronic draw of federal funds at SFSU follows the following steps:

1. Reconcile a draft Federal Cash Transactions Report (SF272) with the Federal Financial Status Report (SF269) for the award and check that both reports reconcile with the PeopleSoft General Ledger account for the sponsored project.
2. Complete a Federal Cash Transactions Report (SF272) for all LOC awards.
3. Request payment for expenditures on all awards from the agency (e.g., NIH, NSF, etc.) using the agency's website. The payment is made by Electronic Funds Transfer (EFT) to the SFSU local Bank Account.
4. Apply the payment to the PeopleSoft General Ledger accounts associated with the payment request.

The electronic draw process occurs each month. Once the online payment request is completed, the federal agency wires the funds directly to an account established with Wells Fargo Bank for SFSU. A journal entry is prepared to apply the EFT payment to the appropriate sponsored project accounts.

The Fiscal Affairs Accountant maintains a comprehensive list of the agencies that participate in the electronic draw, the websites for each agency, and the passwords for each website. The Fiscal Affairs Accountant logs-on to the agency's website to complete a cash report and prepares a payment request.

The electronic payment mechanisms used by Fiscal Affairs are:

[http://www.dpm.psc.gov/access\\_pms/system\\_status.aspx](http://www.dpm.psc.gov/access_pms/system_status.aspx)

- Letter of Credit (LOC)  
Sponsors include:
  - Department of Interior
  - The National Institutes of Health (NIH)
  - National Aeronautics and Space Administration (NASA)
  - Geological Survey
  - Department of State

- Fastlane  
Sponsors include:
    - National Science Foundation (NSF)

<http://www.fastlane.nsf.gov>
  
  - Automated Standard Application for Payments (ASAP)
- <http://www.asap.gov>
- Sponsors include:
- The Environmental Protection Agency
  - National Oceanic and Atmospheric Administration
  - Department of Energy
- EGrant
- <https://egrants.cns.gov/>
- Sponsors include:
- Corporation for National and Community Services
- E-Grant
- <https://e-grants.ed.gov/>
- Sponsors include:
- U.S. Department of Education

## **ROLES AND RESPONSIBILITIES**

### **Fiscal Affairs**

- **Fiscal Affairs Accountant (FAA)**
  - Maintains the list of all Letter of Credit, ASAP and Electronic draw awards.
  - Prepares the back-up documentation for the drawdown, calculates the amount of the drawdown for each federal agency, and confirms the amount of the drawdown by reconciling the General Ledger Expenses to the Cash Report to the Financial Report for the project.
  - Obtains official approval for the draw, and performing the actual drawdown.
  
- **Fiscal Affairs Accountant II**
  - Creates and maintains documentation for each draw.
  - Confirms that the draw funds have been accurately applied to the various grant accounts, Principal Investigator (PI) and/or Department Administrator/Project Staff.

- **Associate Vice President for Fiscal Affairs**
  - Reviews the LOC, ASAP and E-Grants draw documentation created by the FAA and approves the drawdown of funds.
  
- **Controller**
  - Reviews and signs the draw documentation in the absence of the AVP for Fiscal Affairs.

## PROCEDURE

### A. Fiscal Affairs Accountant (FAA):

1. When the payroll and fringe benefits and IDC have posted for the previous month, the FAA begins the process to draw funds from federal agencies for cost reimbursable awards. Some federal agencies send email notifications announcing that an electronic report and payment drawdown is due.
  
2. Opens spreadsheet "**Fed Acct 1.**"
  - a. "**Fed Acct 1**" is an Excel spreadsheet maintained by the FAA and kept on the FAA computer desktop. The spreadsheet is a compilation of all federal awards received by SFSU whether active or closed. Awards are grouped by federal agency.
  - b. The spreadsheet has three columns for each month:
    - i. The cumulative expenses through the end of the month
    - ii. The amount of the month draw (Cumulative Expenses less Previous month's Cumulative Expenses)
    - iii. The amount of an adjustment (if necessary)
  
3. Runs a Revenue/Expense (Rev/Exp) Custom Report in FMS based on PTD for the first project listed on the "Fed Act 1" spreadsheet.
  - a. PeopleSoft > SFSU Custom > Report > Exp/Rev Analysis (FABS)
  - b. Enters:
    - i. Project ID
    - ii. Project Number
  
4. Records the total for the 6 accounts (expenses) for this project on the "Fed Acct 1" spreadsheet under the column "cumulative" for the month.
  
5. Pulls the award folder for the project.
  
6. Checks the total of 5 accounts (revenue) on the FMS individual project rev/exp report with the Statement of Revenue / Reimbursement Log in the award folder. Checks that revenue in FMS equals the cumulative amount requested on the Statement of Revenue / Reimbursement Log. If revenue does not match, investigates if revenue was misapplied in the previous draw and reconciles any errors.
  
7. The FAA repeats this process for each of the awards listed on the "Fed Acct 1" spreadsheet.
  
8. Once the cumulative expenses for all the awards have been added to the spreadsheet, the FAA reviews the cumulative expenses for the month and compares them to the total award budget for that award. A payment that is greater than the award budget can not be requested. If an award is overspent, contacts the GA to examine award expenditures and moves expenses, as applicable, off the award.

9. The FAA compares cumulative expenses to the cumulative totals for last month for each award on the “Fed Acct 1” Spreadsheet.
10. If cumulative expenses for the current month are greater than the previous month, enters the difference under the month column. (This is the amount of the funds that are drawn down for the month for that award.)
11. If cumulative expenses for an award are less than the previously collected revenue, the FAA creates a journal entry to adjust the revenue for that award, and revises the financial reports to reflect the expense figure.
  - a. The FAA enters the amount of the adjustment under the adjustment column for each award on the “**Fed Acct 1**” spreadsheet.
  - b. The FAA revises the Financial Report (SF269) and the previously submitted Cash Report (SF272) to reflect the adjustment in expenses.
  - c. The FAA creates a Journal Entry to:
    - i. Debit the revenue for that award so that expenses = revenue.
    - ii. Credit the revenue of a different LOC award.

**Note: (For more information on how to complete a journal entry please see the Journal Entry Procedure.)**

12. Once adjustments are made, the FAA sums the total amount of each draw for each agency.
13. The FAA reconciles the LOC draw with the SF269 report that was filed for the award (in the award folder). Over the same period the cumulative expenses on the SF269 financial report and the cumulative amount of the LOC draw should match.
14. The FAA logs the LOC draw as any other invoice under the Statement of Revenue / Reimbursement in the award folder and enters the following:
  - a. The date of the draw
  - b. The amount of the draw
  - c. The cumulative amount of all the draws for this award account.
15. The FAA logs onto the website for the Division of Payment and Management and keeps the password for the website (listed below) and goes to Electronic 272 Reporting, which is due quarterly.

[http://www.dpm.psc.gov/access\\_pms/system\\_status.aspx](http://www.dpm.psc.gov/access_pms/system_status.aspx)

16. The FAA selects the PIN Number for the agency. Each agency has its own PIN and the FAA keeps a list of the PINS and Corresponding federal Agencies.

17. The FAA completes the SF272 Federal Cash Transactions Report.
  - a. The report requests the cumulative amount of the draw quarterly for each award associated with that agency. The FAA must include the cumulative amount of the draw from this project and any other PeopleSoft projects associated with the same federal award. (E.g. Different PeopleSoft project numbers from previous years of the same project.)
  - b. If an adjustment is needed for an award, enters the adjustment as a negative entry for that project.
  - c. If the adjustment is for an award that is closed, scrolls to the bottom of the screen and selects the award from the Inactive list for that agency.
18. The FAA prints off a copy of the completed SF272 report.
19. The FAA confirms that the total amount listed on the report matches the total for that agency on the "Fed Acct 1" Spreadsheet.
20. Repeats the cash reporting process, beginning with step #14 for each LOC agency.
21. Brings all the printed SF272 reports to the AVP for Fiscal Affairs for review and signature .
22. Once the AVP has signed the reports, log back into the Division of Payment and Management > Electronic 272 reporting.
23. Goes to the certification page and selects submit the SF272. Repeats this step for each agency.
24. Logs onto the Payment Management System.
25. Enters the PIN for the agency and enters the total amount of draw for that agency.
26. Once the LOC agencies are complete, logs onto the ASAP site:

<http://www.asap.gov>

27. The ASAP site and payment request is similar to the LOC request. Passwords and log in information are kept by the FAA-II.
  - a. Enters the User Name and Password and select Logon
  - b. Goes to Payment Requests/Initiate Payment Requests (PR)
  - c. Recipient ID - enters the ASAP ID for SFSU. It may be necessary to type this number into the website for it to be recognized.
  - d. Payment Request Type – Individual
  - e. Payment Method – ACH
  - f. Bank Relationship – ACH#1
  - g. Selects Confirm
  - h. Clicks OK in the pop-up box
  - i. For each award that will be drawn enters:
    - i. Requestors Reference Number = (leave blank)
    - ii. Amount Requested = the amount to draw

- j. Confirms that the amount of the draw is equal to the amount on “Fed Acct 1” spreadsheet.
- k. Selects Continue
- l. Selects Submit

28. Prints a copy of the confirmation using the “Printer Friendly” version.

29. Brings a copy of the confirmation to the AVP for Fiscal Affairs for review and signature.

30. Once the ASAP draws are complete, logs onto the E-Grants (Department of Education):

<https://e-grants.ed.gov/>

- a. Clicks continue.
- b. Logs in.
- c. Selects E-Payments.
- d. Requests Payment.
- e. A list of all Department of Education Awards to SFSU will appear.
- f. Fills out the amount for each award.
- g. Confirms that the amount of the draw is equal to the amount on “Fed Acct 1” spreadsheet.
- h. Continues to the confirmation page and clicks okay.

31. Prints a copy of the confirmation.

32. Once the Department of Education E-Grants draw is complete, logs onto the Egrants:

<https://egrants.cns.gov/>

- a. Payment requests on Egrants are completed every 6 months.
- b. Enters the username and Password.
- c. Selects the grant award number from the list.
- d. Screen appears showing what was previously reported for this award.
- e. Enters the current cumulative amount for the award.
- f. Confirms that the amount of the draw is equal to the amount on “Fed Acct 1” spreadsheet.
- g. Certifies that the amount is correct.

33. Prints a copy of the confirmation.

34. Brings a copy of the confirmation to the AVP for Fiscal Affairs for review and signature.

## **B. Fiscal Affairs Accountant II (FAA-II)**

1. Within one to two business days of the drawdown each agency wires the funds to the SFSU bank account at Wells Fargo Bank.

2. Confirms that the LOC payments have all been received and that the payments match the amounts requested in the draw.
3. Prepares a journal entry to apply the EFT payment to the grant account.