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

Completing the Federal Financial Report (Standard Form 425)

December 8, 2015

12:00 PM Eastern Standard Time

Facilitated by

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FACILITATED BY:

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Training Topics

- ❑ Purpose of the Form
- ❑ Submission Requirements
- ❑ Completing the SF-425
- ❑ Common Errors
- ❑ Things to Remember

PURPOSE OF THE FORM

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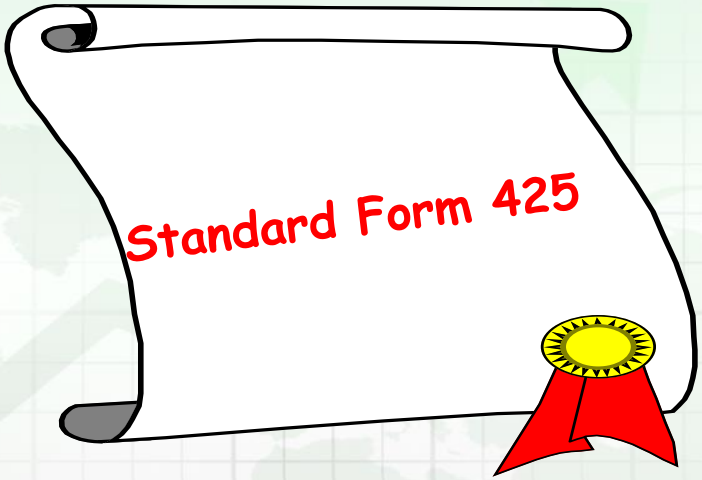
- The SF-425 form also referred to as the Federal Financial Report (FFR) is a required Office of Management and Budget (OMB) financial reporting form to track the status of financial data tied to a particular Federal grant award.
- Captures the obligations and disbursements that occurred during the grant period not just the quarter being reported.
- A separate SF-425 must be done for each grant.



SUBMISSION REQUIREMENTS

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- Intermediaries, SHFAs, and MSOs are required by the HUD grant agreement to submit a FFR/SF-425.
- Due no later than 30 calendar days after the last day of a calendar year quarter.
- Submit every quarter, regardless of whether expenses were incurred or not, once the project has begun.
- All lines must be completed (enter 0.00 or N/A)
- If expenses have not yet been incurred during the life of the grant, report a zero cumulative total.
- If delinquent in prior period reporting, once the project has begun or at least one report has been submitted, submit delinquent report for each quarter.

SUBMISSION REQUIREMENTS

For Example:

The current reporting period is for the quarter ending 03/31/16, and the grant is not yet expired. The Grantee's last quarterly report was submitted for the quarter ending on 06/30/15. The Grantee must submit individual quarterly reports for the reporting periods ending:

- 09/30/15
- 12/31/15
- 03/31/16

COMPLETING THE FFR/SF-425

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FEDERAL FINANCIAL REPORT
(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted U.S. Department of Housing and Urban Development, Office of Housing Counseling	2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) HC150941006	Page 1	of 1 pages
3. Recipient Organization (Name and complete address including Zip code) XYZ Housing Counseling Agency, 6500 Highway Avenue, Washington, DC 20002			

4a. DUNS Number	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	6. Report Type	7. Basis of Accounting
069500251	43-1569215		X Quarterly ☐ Semi-Annual ☐ Annual ☐ Final	☐ Cash X Accrual

8. Project/Grant Period From: (Month, Day, Year)	To: (Month, Day, Year)	9. Reporting Period End Date (Month, Day, Year)
10/01/2014	03/31/2016	09/30/2015

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. Leave blank since HUD did not issue a recipient 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

10. **Transactions**	Cumulative
*(Use lines **a-c** for single or multiple grant reporting)*	
Federal Cash (To report multiple grants, also use FFR Attachment):	
a. Cash Receipts	$5,000
b. Cash Disbursements	$5,000
c. Cash on Hand (line a minus b)	$0

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 - amount of federal funds drawn down

b. Cash Disbursements - amount of federal funds paid out

- Cash based accounting (a) should equal (b)
- Accrual based accounting (b) is usually greater than (a)

c. Cash on Hand

Cash based accounting should be $0.00 as recipient should not have drawdown any funds greater than that expended. If line (c) is greater than $0.00 AN EXPLANATION MUST BE PROVIDED.

Accrual based accounting will usually be a negative number representing the amount of money owed to recipient (funds expended but not yet reimbursed)

COMPLETING THE FFR/SF-425

*(Use lines **d-o** for single grant reporting)* **Federal Expenditures and Unobligated Balance:**	
d. Total Federal funds authorized	$15,000
e. Federal share of expenditures	$4,950
f. Federal share of unliquidated obligations	$0
g. Total Federal share (sum of lines e and f)	$4,950
h. Unobligated balance of Federal funds (line d minus g)	$10,050

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))

f. Refers to recipient outstanding amounts owed to sub-recipients, contractors or vendors (if any) as of the reporting period end date. If there are no recipient obligations enter $0.00

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 your cumulative total, add all expenses incurred to date.

In the example that follows and Block 10e-Federal Share continues to increase in each successive SF-425 to show the total amount of expenditures to date. If a Grantee finds that a reporting error has occurred, and in order to correct the SF-425 a deduction from either block is necessary, the Grantee is required to make a notation in Block 12-Remarks.

COMPLETING THE FFR/SF-425

For Example:

- For the reporting period 07/01/15 to 09/30/15, Federal expenditures = $5,000
- For the reporting period 10/01/15 to 12/31/15, Federal expenditures = $3,310

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

SF-425 Reporting Period Ended 09/30/2015		
Federal Expenditures and Unobligated Balance:		
10d.	Total Federal funds authorized	15,000
10e.	Federal share of expenditures	5,000
10f.	Federal share of unliquidated obligations	-
10g.	Total Federal Share (sum lines e & f)	5,000
10h.	Unobligated balance of Federal funds (line d minus g)	10,000
SF-425 Reporting Period Ended 12/31/2015		
Federal Expenditures and Unobligated Balance:		
10d.	Total Federal funds authorized	15,000
10e.	Federal share of expenditures $5,000 + $3,320	8,310
10f.	Federal share of unliquidated obligations	-
10g.	Total Federal Share (sum lines e & f)	8,310
10h.	Unobligated balance of Federal funds (line d minus g)	6,690

COMPLETING THE FFR/SF-425

Recipient Share:	
i. Total recipient share required	NA
j. Recipient share of expenditures	NA
k. Remaining recipient share to be provided (line i minus j)	NA

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".

COMPLETING THE FFR/SF-425

Program Income:	
l. Total Federal program income earned	$200
m. Program income expended in accordance with the deduction alternative	$200
n. Program income expended in accordance with the addition alternative	
o. Unexpended program income (line l minus line m or line n)	$0

PROGRAM INCOME:

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

l. Amount of income earned as a result of this agreement

m. Refer to agreement

n. Refer to agreement

o. Line (l) – line (m) or (n) as applicable

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
	Provisional	10%	01/01/2012	12/31/2016	$4,500	$450	$450
				g. Totals:	$4,500	$450	$450

Block 11. Indirect Expenses

This section must be completed if recipient is charging indirect costs, otherwise leave blank.

a. Type of indirect cost rate: Provisional, Predetermined, Final or Fixed
b. Rate (%) in effect during the reporting period
c. Beginning and ending dates for the effective rate
d. Amount of the base against which the rate was applied. Ex: 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.)
e. 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 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	c. Telephone (Area code, number and extension) 410-309-4929, ext. 201
	d. Email address robinb@bmc-llc.net
b. Signature of Authorized Certifying Official Robin L. Booth, CPA	e. Date Report Submitted (Month, Day, Year) 09/30/2015

Block 12. Remarks

Enter or attach any explanation recipient feels should be included with the report

Block 13. Certification

Please make sure all information is legible.

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

COMMON ERRORS

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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 ☐ Quarterly ☐ Semi-Annual ☐ Annual ☐ Final	7. Basis of Accounting ☐ Cash ☐ Accrual
8. Project/Grant Period From: (Month, Day, Year)	To: (Month, Day, Year)		9. Reporting Period End Date (Month, Day, Year)	
10. **Transactions**				Cumulative

- Incomplete forms
- Not reporting the correct grant number
- Not capturing the accurate reporting type
- Not reporting the accurate reporting period end date

COMMON ERRORS

10. Transactions	Cumulative
(Use lines a-c for single or multiple grant reporting)	
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 authorized (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

- Notable Reasons for the Net Effect on Cash on Hand:
- **Positive (Excess) Cash Flow:**
- Per Diem rate may be too high
- **Negative Cash Flow:**
- Per Diem rate may be too low

10. Transactions	Cumulative
(Use lines a-c for single or multiple grant reporting)	
Federal Cash (To report multiple grants, also use FFR Attachment):	
a. Cash Receipts	
b. Cash Disbursements	
c. Cash on Hand (line a minus b)	
(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)	
Recipient Share:	
i. Total recipient share required	
j. Recipient share of expenditures	
k. Remaining recipient share to be provided (line i minus j)	
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)	

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. Do not include any Program Income expended.
- 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:
  - Cash on Hand,
  - Unobligated balance of Federal funds,
  - Unexpected Program Income.

THINGS TO REMEMBER

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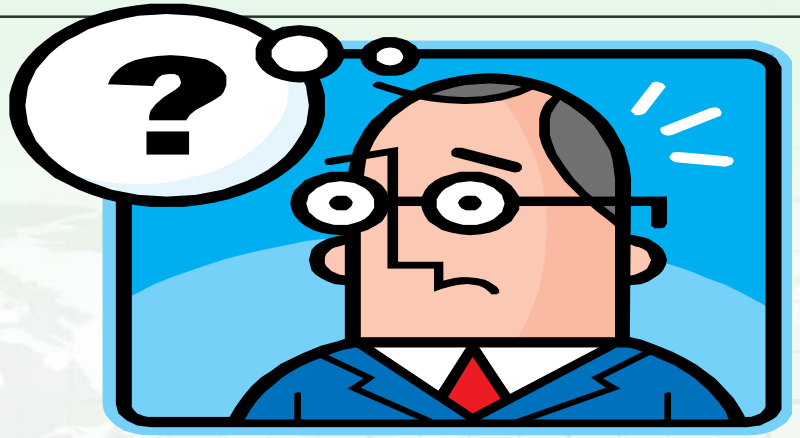
- Double-check to make sure the FFR is completed correctly and contains all required information and signatures.
- Have a copy of your award notification available for reference purposes.
- Have copies of the last reported FFR (to refer to), if not a new grant. If new, this would be the 1st report.

THINGS TO REMEMBER

- Report program outlays and program income on the same accounting basis (either cash or accrual) that it uses in its normal accounting system.
- Submit a 'FINAL' FFR for the duration of the grant with no unliquidated obligations before HUD can accept the "FINAL" FFR to close out the award.
- Request an extension in writing prior to the due date for the SF-425 is necessary.



Questions

Please forward any questions to

housing.counseling@hud.gov with

Completing the Federal Financial Report

in Subject line

THANK
YOU