

MELISSA SZASZ: Hello and welcome to the Title VI Webinar Series. Today's session is on SF-425 Training. My name is Melissa Szasz, and I'm with Teya Services, the contractors for ACL/AOA. Before we begin, I would like to provide a few housekeeping notes for today's session. This webinar is being recorded and your phone lines have been muted for audio quality. If you would like to ask a question, please use the Q-and-A box or raise your hand to have your line unmuted. We'll do our best to answer these questions during the presentation.

The presentation materials will be posted on the Older Indians website within the next two weeks. If you need a copy of the presentation before then, please contact us at Teya. The next hour is going to be great- full of great information, so let's get started with the SF-425 Training. We're excited to have Alice Kelsey with ACL with us today. Hello and welcome, Alice!

ALICE KELSEY: Hello! Thank you for having me today. It's great to be with you all. So good afternoon, or good morning to some of you in the West Coast, Hawaii, and Alaska. My name is Alice Kelsey, and I, well, am most of your tribes' fiscal liaison for your Title VI NSIP, FFCRA, and CARES Act and Supplemental Number 5 Nutrition Grants. Today I'll be walking through a PowerPoint presentation on the SF-425. The presentation was sent out earlier today on the Thursday Title VI- and it's titled- it's under the title the Thursday Title VI Chat. The- there's a link to the presentation in that email since I will be on tomorrow's chat as well to take questions from the tribes, so that's why I'm on that email.

So by attending today's session, your tribe is meeting the required fiscal training, so congratulations for making it today. Please send your questions in. I've allowed lots of time for questions and answers today. And if you think of more questions between the end of our time today and tomorrow, please join tomorrow and I'll be on tomorrow's call as well to answer questions. So without further ado, let's start in on the SF-425 Training.

So today I'll be reviewing the Standard Form 425 Reports as well as due dates on some of your grants. I will also be reviewing Equipment Prior Approval requirements, providing you with a list of financial resources, as well as providing a question-and-answer period. However, don't let that stop you from asking questions as we're walking through this presentation. I hope to have a lot of dialogue as I have in the past with you all.

So first we'll start off with the SF-425 Reporting. So the purpose of the SF-425, or Standard Form 425, this is also known as the Federal Financial Report, which can get a little confusing. So the SF-425 Report is also known as the Federal Financial Report, or FFR. This is a required reporting form that tracks the status of your tribe's financial data, obligations, and disbursement on a grant. These- this shows funds drawn down and a remaining balance at the end of a reporting period. A separate 425 is required for each of your grants.

So here we have a table that has our financial reporting due dates. So if your tribe received a No-Cost Extension, and on this table I have abbreviated that to NCE, and that's for your 2017 to 2019 Title VI Part A, Part C, and NSIP grants. A Final Report is due at the end of this coming June, and so that will be for the project period, and it'll be a cumulative report for all expenses made during the project period from April 1st, 2017 through March 31st of 2021. So those reports are- your project period is coming to a close at the end of March, and so this is a great time to go back and review those grants to ensure that you fully expended them.

We'll move on to the next row, and for your 2020, 2021, and 2022 Title VI grants, those have Annual Reports that are due at the end of this coming June, the following June in 2022,

and your Final Report will be due at the end of July of 2023. You'll notice that the Final Report is due at the end of July on that 2020, 2021, and 2022 final Title VI report. That's because of the change in the regulation that happened very recently. And now instead of 90 days after the project period end date, you now will have 120 days. So that will be the end of July of 2023 for that final 425 Report and that's your final liquidation period as well.

So if you received a no-cost extension on the 2019 MIPPA grant, those final reports are due on December 28th of 2021, and we have the project period there from 9/30/2019 to 9/29/2021. For the 2020 MIPPA grants, you'll have a Final Report due at the end of November of 2021 for the project period of September 1st of 2020 through August 31st of 2021.

Then we move into the most recent supplemental grants that the tribes have received through supplemental COVID funds for nutrition. That's for the FFCRA and that's indicated by an NAC2 at the end of those grant award numbers. There's an Annual Report due on that at the end of this April of 2021. And then you'll have a Final Report due 12/30/2021. And that's for the project period of March 20th, 2020 to September 30th of 2021.

Then you have your CARES Act Supplemental Nutrition funding, and that ended with NAC3, and that's for your Annual Report, is again due at the end of this coming April. And a Final Report is again also due on December 30th of 2021. And that, the project period was from April 1st of 2020 through September 30th of 2021.

And then last but most recent supplemental nutrition COVID funding received, and that, the grant award ends with NAC5. Those just went out a few weeks ago. There is an Annual Report due on 6/30/2021. There will be another Annual Report due on 6/30/2022. And then there will be a Final Report due on January 31st of 2023. The project period for that most recent nutrition supplemental COVID funding was from December 27th, 2020 to September 30th of 2022.

All right. Let's move on to the next slide. And so this is 425 Reporting in the Payment Management System. And, hi, Tony! I'm seeing a question coming in. If all the funds have been expended, can a Final Report be submitted early? So ordinarily I would say yes. However, with the new reporting in the Payment Management System, I'm not sure if those are available for you to submit those Final Reports right away. And I would encourage you to ask that question at a Payment Management System Training that I would encourage you to attend.

The Payment Management System will be conducting four repeat trainings for the tribes on submitting the 425 Reports. And you can ask them if they have that set up to submit those Final Reports early. They should. However, ask them if that's available at this time. For these trainings, only attend- so some feedback we've received from the Payment Management System liaisons is that they have been- they have had people attending the trainings that aren't actually submitting the reports.

So program liaisons, you don't need to attend unless you're actually the one logging in and submitting the reports. They're not going to be able to answer many questions around what is included in, you know, different lines of the 425 Report. They are mostly just going to be training you on how to get into the system and how to enter numbers in the system and how to submit the reports. This training today is walking you through what is- what do the lines on the 425 Report mean and that sort of thing.

So only attend this- these trainings if you will be the one actually going in and submitting these reports. So that- again, there will be four trainings in- this month and next

month, and I've listed them there. There have been email blasts that have gone out from our office that gives you the links on how to register for those trainings. And so we'd encourage you, if you are attending- if you are submitting these reports, to attend one of these sessions. I think it'll be very helpful, and they'll also be providing additional information and you'll have some one-on-one time with the Payment Management System personnel.

Okay, I'll move on to slide eight. And I did receive a question. Is it recommended for program directors to attend? So for the 425 trainings that the Payment Management System is providing, someone from your tribe should attend, and the person that should attend is the person that will be actually submitting the reports for the Program Office. Generally this is not the Program Office that's submitting the- these reports, this is the Finance Office.

So in the past, when we were in our separate system, we did have some program director submitting those reports for the Finance Office. Generally it's just the Finance Office that's submitting these reports at the tribes. So if you are not the one actually going in and hitting submit in the Payment Management System for this report, you do not need to attend. But it would be good to ensure someone from your tribe is attending this training to answer any questions on how to do that.

Okay, and next we will be talking about the 425 Reporting in the Payment Management System. So all 425 Reports for tribes will be reported in the Payment Management System. There is one exception. The 2019 MIPPA Grant, that should be submitted to the MIPPA mailbox, and I've outlined the mailbox for that scanned paper form to be submitted, and that will be the Final Report for that MIPPA Grant, and so that should be the last one of those that you're having to do a PDF or a scanned copy. The rest of them will be submitted in the PMS system.

The 2020 MIPPA Grant will have a report due in the Payment Management System. And just a reminder that delinquent Financial or Program Reports could result in suspension of grant awards. Let's see, I did receive a question [unintelligible] sharing your screen, and so we are in Webex and there- which you should have had a link to. If not, there was an email sent out earlier today that talks about the- tomorrow's chat, and there's a link to the presentation in that email that you can access. Right now, I'm on slide eight.

We received- I received another question- is how do we register for the PMS Training? So there is a- has been several emails actually sent out from our office that have the PMS Training registration links on it. So if you go back and find the email from the Title VI Chat, it may even be on some of the more recent emails that have been sent out, there's a link as well.

Yeah, so if you do navigate to the Title VI Afternoon Chat for Thursday February 11th email that was sent out by our office earlier today, towards the bottoms, or just a little bit down that page, there's information about Title VI grants, and there's an upcoming PMS Training for Title VI grantees. And there, there's registration links with the training dates and times that you can register for. So that's on the email that was sent out from our office earlier today.

So we did have one regional administrator tell me that some of this- some of my presentations can be long and not understandable, so she had me come up with some plain talk. (Chuckles) And so, with the 425 Reports, no report, no money. You have to submit your reports otherwise you are- you will not receive your grant funds. And so we need to ensure

that those are submitted timely and so that you can continue receiving your grants now and in the future.

So next I'm going to walk through the different sections of the 425 Report. One thing I wanted to mention before I start walking through the individual transaction lines is because in the Payment Management System- we've moved over to the Payment Management System, we have been finding on occasion that tribes or grantees DUNS numbers or EIN numbers are not matching, and that can become problematic when you're submitting your 425 Reports in the Payment Management System.

So I would encourage you, when you go in to submit your 425 Report as well as when you receive your Notices of Award from our office, to double-check that the DUNS number and the EIN numbers are accurate and what your tribe is using. Sometimes tribes have kind of moved around into different areas and may have a different DUNS number than maybe they did when they originally set up the program. And so just ensuring that that is accurate, otherwise you may run into trouble submitting these reports.

So a good check on when you receive your Notices of Award, to double-check your DUNS number and your EIN number as well as when you're submitting your 425 Reports, ensure that that matches as well and is accurate. And I did receive a question from a John Henry. Will this presentation be available after the meeting, and the answer is yes. We are recording this training and it will be available in the next couple of weeks on the Older Indians website.

However, if you need this presentation earlier than that, you can reach out to your Title VI contact and we can provide you with that probably a little bit earlier as well. Additionally, the PowerPoint that I'm walking through is on an email that was sent out earlier today on that Thursday Chat, since I will be on both today's chat and tomorrow's chat, answering questions- fiscal questions for you all.

So now let's go ahead and start walking through the 425 form, and so I'm going to be talking through the transaction section. So there- the first section is the Federal Cash section, and Line A is your Cash Receipt, and this is the cumulative amount of actual federal funds received as of the reporting period. Line 10b is the Cash Disbursement, so this is the amount of disbursements made by a grantee as of the period end date. So for your grants coming up, that will be the period ending 3/31/2021.

And then Federal Cash Line C, this is Line A less Line B, and this is your Cash on Hand. So a negative balance in that line, that represents your immediate cash needs. If you have a positive balance, you should not have more than three day's cash on hand, and those funds should be disbursed as soon as possible.

So next we'll move down into the Federal Expenditures and Unobligated Balance. So Line 10d, this is the Total Federal Funds Authorized, and this is your cumulative awarded amount of federal funds. This, the easiest place to find this is on your Notice of Award, and it's the total amount listed on your Notice of Award. And for your three-year awards for your Title VI Part A/B, Part C, and NSIP, the award amounts will be- on your first year of reporting, it will be the first 12 months, the second year of reporting will be 24 months, and for- on the third year, it will be 36 months of funding. For your Supplemental COVID funds, the amounts are the full award amount listed on your Notice of Award.

So transactions on Line 10e, this is the federal share of expenditures. This is usually the same as Line B on the form. This is your cash disbursements. So you will enter expenditures for the period for which the report is ending. So coming up, that is the end of March. And if you're on a cash basis of accounting, this'll be the sum of your direct expenses, indirect expenses, and payments made to any subrecipients. On an accrual basis, this will be your sum of direct expenses, indirect expenses, payments made to subrecipients, payment and accrued amounts.

On a cash basis, these are obligations incurred but not yet paid as of the reporting period end date. On an accrual basis of accounting, these are obligations incurred but not yet recorded as of the end of the reporting period. Do not include any amounts that are already included on Line 10e, and do not include any amounts in 10f, in federal share of unliquidated obligations. That's for a future commitment, like an obligation or expense that has not already been incurred.

Starting on slide 16, transaction Line 10g, this is the total federal share, and this is the sum of Lines E and F, so that's an easy one. And then, moving on to 10h, this is the unobligated balance of federal funds, this is Line 10d, your award, less Line 10g, which is your federal- total federal share. So these are funds that have not yet been obligated or expended.

So next we're going to move on to Section 10i through K, and this is the recipient share. So lucky for all of you, there's no cost share or match requirements for any of our Title VI grants as well as NSIP and any of the COVID Supplemental funds. So COVID Supplemental funds to the Title VI grantees, so Lines 10i, J, and K should all be marked zero because there is no recipient share required.

Next we're going to move into the Program Income section of the 425 Report. So this is your not- this is non-federal share of expenditures, and you will report any program income or voluntary contributions and tribal funds here. You do not report any Title III from state or AAA funds here. And if there is nothing to report, it should be marked as zero. So 10L is your total federal share of program income earned. So this is income earned as a result of the Title VI grant. Line 10m is program income expended in accordance with the deduction alternative. This is actually not allowed under Title VI.

All program income collected must be used to expand the service for which it was provided. So the only way it is allowed to expend program income is through the addition alternative, which means that the program income is added to the award that you can expend the- expand the service for which the contribution was given instead of having to deduct the program income from the award amount. So this is great.

So if you receive any program income, then you would report it on 10- on Line 10L, and you would expend it in accordance with the addition alternative. You would report when it's expended on 10- Line 10N. And then, Line 10-o is any unexpended program income. I will note that program income should be expended prior to drawing down any additional federal dollars.

So next we're going to move to Section 11, this is Indirect Expenses. If you- your tribe is charging indirect costs to the Title VI grants, and- just to note, there- you cannot charge indirect costs to the NSIP grant, you can only charge it to the Title VI Part A/B and C. NSIP does not allow for indirect costs to be charged. So on Line 10a, the type of the indirect cost, this is- you will enter Line B is your rate that's in effect during the reporting period. Line C is the beginning and ending dates for the effective rate, and Line D is the amount of the base against which the rate was applied.

Line 10e is the amount that's actually charged to the grant, and Line 10f is the federal share that the government- that the grant is being charged. And then Line G is your total columns. Okay, and it looks like we did receive a couple of questions into the chat box, so let me go- and I'm agreeing, as I'm walking through this, Marianne, I do think it would be helpful to see the report with the lines as I'm explaining them, so I will add that in the future training. Thank you for providing that comment and suggestion.

And then we did have another question. On a December report, Line 10a shows up as a negative number and there is also nothing on Line 10d through H, doesn't PMS transfer those numbers when you go to expenses on page two in PMS? And I think that would be a great question for the Payment Management System for you to ask them during their training later this month or next month in one of those sessions you attend. I believe that there are things auto-populating from your quarterly financial reports as well as what [unintelligible] you're on, and so that would be a great thing to ask them is what lines on the 425 are auto-populated from PMS.

So let's go ahead and move on. I think that was all the questions. [Unintelligible] go ahead and move on to the Equipment Prior Approval process. So I know I keep harping on this when you all attend my financial trainings, however, I think a lot of you have had questions around the equipment, so I think it's worth repeating. So there is a prior approval requirement for purchases of equipment and supplies that exceed \$5,000 per unit.

So ACL prior approval is required if you, the direct grantee, are purchasing any equipment that exceed \$5,000 per unit. And equipment means tangible personal property, which includes information technology systems and software, having a useful life of more than one year, and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the tribe for financial statement purposes, or \$5,000. Supplies are defined as tangible personal property other than those described in equipment.

And so a grantee cannot incur property without approval of the HHS awarding agency for equipment, so just keep that in mind. So do not purchase the equipment until written approval has been received from ACL to charge to your grant. And once you receive the prior approval, you do need to follow your tribal organization's procurement policies in the purchase of that equipment. And we have a link here on the required information our office needs when you're requesting to purchase equipment.

I know a few of you are looking at purchasing equipment right now because you have some balances on some of your grants that are about to end. You'll need to submit the request and any attachments or your bids to your ACL regional administrator. So the required information that our office needs is the date, your tribal organization, and who is the contact person at your tribe on this request and their email. We also need to know which grant number. So right now you all have about a half dozen or so grant numbers out there, so we do need to know which grants you're planning- what grant award you're planning on charging.

We need three bids, and if you're unable to obtain three bids, you would need to provide written documentation as to why three bids are not available. We also need the intended use of the equipment, the amount of Title VI funds used as a percentage of the cost of the equipment, and estimated percentage of time the equipment will be used by the Title VI program. Also, the equipment could be purchased with any other funding sources other than

Title VI, an analysis of a lease and purchase alternative, and then there's also a buy-American requirement.

And if you have any questions on the equipment prior approval process, please reach out to your RAs. They've been receiving these requests now and have some experience on what to look for anyway. Okay, and it looks like I did get a question in. Should the COVID funding be kept separate from regular funding awards? So accounting wise, you should be accounting for the COVID funds separately from your regular Title VI grants. However, they can be used for the same activities as your regular Title VI grants.

Let me make sure I got all the questions. Okay, and if- and another question is what if it's a multifunction copy machine and there isn't any American-made? You would just need to provide a written justification and we- the steps the tribe has taken to try to find an American-made one. And, again, you know, the multifunction copy machine, just remember that it would have to exceed \$5,000 for you to need the prior approval from our office.

So, again, with the plain talk that was a suggestion, so if you buy lots of little stuff which adds up to over \$5,000, let's say you're buying laptops for your case managers, and each one of them costs \$1,000, but you buy ten of them, you don't need our permission because each laptop was less than \$5,000 each. However, if you buy one item, like a multifunction copy machine that costs over \$5,000, you would need prior approval from our office. There's information that you need to give to ACL, and the item you buy has to be made in the United States. Don't buy the item until you have approval from our office.

Okay, so next I'm going to walk through some of the financial resources. And then I'm not quite sure, I did get a question in on what is the cost cap, and I'm not sure what that question is. So you do need prior approval. There's no cap on the- there's no maximum on equipment that could be charged to the grant. However, you do need to realize that you should still be providing a service of your Title VI- with your Title VI grant. Okay, sounds like I answered your question.

And so, I'm on slide 27, and I put together some fiscal resources for you. So on our website, there is the FFCRA and CARES Act Title VI FAQ. I would also say that while I think we are working on updating this FAQ to include the Supplemental 5 Nutrition funds- COVID funds that were just issued a couple of weeks ago, that's a great resource and it actually also provides some ideas on ways to use your funding as well as some of the nuances that are happening right now in the COVID era with kind of, you know, different scenarios that are happening in a lot of the tribes at this time.

So there's also Program Reporting Guidance for Title VI, and that's on our website as well, so how to report these additional funds. We also have financial resources on our Older Indians website, a great resource. I'm sure most of you do know about them, but there's the link to that. The Older Americans Act, which is our authorizing legislation for the Title VI grant, is a great act to read to know what your authorities are under the Title VI grant. There's also the Code of Federal Regulations, which you can find additional Title VI regulations as well as cost principles and grant regulations.

There's also the Federal Funding Accountability and Transparency Act, or FFATA or Transparency Act, which is usaspending.gov, which I'm sure many of you are used to going in and reporting on as well. I've also included the uniform administrative requirements, cost principles, and audit requirements for HHS awards, that's 45 CFR Part 75. And a lot of the

times, when you all ask questions of me, I reference you back to the uniform and administrative requirements. There's also ACL Program Instructions that are on our website and the Aging Integrated Database, which may be helpful in researching programmatic data.

Okay, so it looks like we did get a couple of questions in. What if shipping puts the cost over \$5,000? It is my understanding that the shipping would be included in the cost, so if that then makes the cost exceed \$5,000, then prior approval would be needed. What I've seen some tribes do is cover the cost exceeding \$5,000 when it's not very much so that they're not having to receive the prior approval from the federal agency.

Another question that I received is can indirect costs be charged to CARES Act funding? And so, for the Title VI CARES Act funding, indirect costs can be charged to that supplemental nutrition funding. Some of the tribes may be receiving CARES Act funding through local governments or even through your local Area Agency on Aging or directly from the state, those the answers to that may be different, but for your Title VI CARES Act funding, you can charge the indirect costs.

Okay, and I'm now at the conclusion of my presentation, but I would like to ask you if there are any other questions that you all have for me. And, again, it's wonderful to be on the call with all of you, and I will be on our call tomorrow doing a brief recap, not as in-depth, but a brief recap of today's call as well as to take any additional questions that you all may have. So at this time, I'd like to see if there are any additional questions. [Pause] Seems like you all may be letting me get off easy compared to previous weeks. (Chuckles)

MELISSA SZASZ: (Chuckles)

[Pause]

ALICE KELSEY: Great, well, I am- really appreciate you all taking the time to sit through the presentation today and to learn. Again, you know, I would encourage you, if you are going to be the one inputting data into the 425 Reports and the Payment Management System, to sign up for the- their trainings. They have four of them scheduled. You do need to register, and there was an email sent out earlier today that has this presentation that we just covered today as well as how to register for the Payment Management System Training. It's on an email that was sent out earlier today, and it is titled Title VI Afternoon Chat Thursday February 11th, 2021 at 3:00 p.m. Eastern.

And in that email, you can find the links to register for the upcoming PMS Trainings for Title VI grantees. Again, you only need to attend one and you only really need to attend them if you're entering the data into the Payment Management System. So look for that email, I'm sure that our friends at Teya will be sending that information out again and through these trainings. And if you have any questions, you can definitely reach out to myself or your regional administrators or your Title VI team. I will also be on the chat tomorrow, as I said before, doing a quick overview of this training and, again, to answer any other questions, burning questions that you all may have between now and then.

MELISSA SZASZ: Oh- thank you, everyone, for joining us today. As a reminder, this presentation, as Alice was saying, will be available on Older Indians within the next week, but of

Title VI Webinar SF-425 Reporting 02-10-2021

course you can always reach out to Teya if you need that presentation before then, or you can find it in today's blast about tomorrow's chat reminder. Please be sure to join us next month on March 10th for our next webinar on Data Submission Training.

We also have all of our previous webinars for you to listen to and review presentations on the Older Indians website. We really hope that you found today's webinar helpful. If you have any questions, again, Alice will be available tomorrow on the Title VI Chat for you to ask additional questions, or you can reach her via email, or you can send us, Teya, an email as well, and we can get that over to Alice. Thank you, Alice, so much today for your presentation and thank you for everyone attending. This concludes today's webinar.