

# OREGON ACCOUNTING MANUAL

Subject: Accounting and Financial Reporting	Number: 15.42.00.PO
Division: State Controller's Division	Effective date: March 17, 2008
Chapter: <b>Accounting and Financial Reporting</b>	
Part: <b>Federal Grants</b>	
Section:	
Approved: John Radford, State Controller	Signature on file at SCD

Authority [ORS 291.015](#)  
[ORS 291.040](#)  
[ORS 293.590](#)  
 Single Audit Act of 1984 as amended in 1996  
 Office of Management and Budget (OMB) Circular A-133

## Scope and Applicability

- .101 This policy requires agencies that directly use **R\*STARS** to use specific grant profiles for accounting and reporting of federal grants as outlined in this policy. The policy applies to all agencies that receive and expend **federal awards**. Agencies that interface transactions to R\*STARS are encouraged, but are not required, to use specific grant profiles, as outlined in this policy, for accounting and reporting of federal grants. Federal awards are federal financial assistance and federal cost-reimbursement contracts that non-federal entities (such as the State) receive directly from federal awarding agencies or indirectly from pass-through entities.

## Required Grant Profiles

- .102 To comply with the provisions of the Single Audit Act, the State prepares a federal reporting package as required by **OMB Circular A-133**, *Audits of States, Local Governments, and Non-Profit Organizations*. As part of the federal reporting package, a **Schedule of Expenditures of Federal Awards (SEFA)** is compiled annually for each fiscal year by Statewide Accounting and Reporting Services (SARS) based on data provided by agencies (see OAM 30.10.00.PO). In order to facilitate the effective and efficient compilation of the SEFA, agencies that receive and expend federal awards must use the following grant profiles to account for their federal grants:
  - D35 Grant Type
  - D40 Grant Category
  - D28 Grantor
  - D47 Grant Number
  - 029 Grant Control

## Optional Profiles

- .103 Agencies may use the following lower level profiles for grant accounting, at their discretion: D48 Grant Object and 026 Program Cost Account. These profiles are not required to be used.

## Accounting for Grants

- .104 Agency management is responsible to ensure proper accounting and reporting of federal grants. Expenditures reported in the SEFA must be reported on the same **basis of accounting** as the originating funds and must tie to expenditures recorded in the agency's accounting records. Generally, most federal grants are accounted for in a **special revenue fund**; thus, the basis of accounting would be the **modified accrual basis of accounting**.
- .105 In order to ensure consistent accounting data, agencies must apply the standard accounting treatment for certain transactions as outlined in the accompanying procedure.
- .106 Federal funds, no matter how they are budgeted (i.e., federal funds budgeted as other funds), are still federal funds and must be accounted for and reported as such. This means that federal funds budgeted as other funds must be accounted for and reported as federal funds for the Schedule of Expenditures of Federal Awards (SEFA).
- .107 Agencies are encouraged, but not required, to consider how the use of grant profiles will facilitate other types of reporting (in addition to SEFA reporting), such as periodic federal program reporting or management tracking and reporting of federal grants.

## Reporting SEFA Data

- .108 Agencies will use a standard Hyperion query that is available through the Datamart Repository for annual SEFA reporting. Agencies are responsible for reviewing the data to ensure accuracy and completeness of the SEFA information for their agency.