

## Definitions

**FMO** - Your funding agency's Financial Management Office.

**Program Income** - Program income is money earned by a program for the benefit of the program itself. It is generated from charging fees for services or from sales of commodities. Program income also may be generated by selling equipment that is no longer needed that was purchased with program funds.

Program Income is different from income-generating activities, through which a program's grantees or beneficiaries keep income earned.

## Topic: Financial Management

### *Requesting USG Funds Using the Standard Form-270 (SF-270)*

**Q.** When and how do I request funds, and how much can I request at a time?

**A.** The U.S. Government (USG) disburses funds to grantees in two ways: 1) by advancing funds or 2) by reimbursing partners for expenses after they have been incurred. Your Cooperative Agreement and/or your funding agency's Financial Management Office (FMO) will direct you on the disbursement channel you are authorized to use.

To request funds, you must fill out the "SF-270 Request for Advance or Reimbursement" and submit it to your funding agency's FMO. If you have multiple USG awards, you must fill out a separate SF-270 for each award. A detailed explanation of how to fill out and submit the SF-270 is provided in this issue of *NGOConnect eNews*.

Initially, you will be limited to requesting funding advances one month at a time. Each request must be for the amount you estimate you will spend in the upcoming 30-day period. You are not allowed to request or hold on to any extra "contingency funds." However, if a particular planned procurement is delayed, you are permitted to carry over those funds until the following month. If an activity is cancelled you can spend the funds on another activity in your approved workplan.

Though individual agency policies may vary, typically you will be required to complete the SF-270 and submit it approximately one week before the month in which you require the funds. The FMO will review and determine the appropriateness of the funds requested. If your request is unusual, such as a request for an atypically large amount of funds for an upcoming procurement, it may be helpful to provide an explanation or documentation with your request. Turn-around times vary among agencies, but generally you can expect funds within one week.

When you have demonstrated, over a period of time, that the funds you request are spent efficiently and that you are neither spending too quickly nor too slowly, you may be allowed to request funds on a quarterly basis. Your Agreement Officer's Technical Representative/Contracting Officer's Technical Representative (AOTR/COTR) and FMO will determine this by reviewing the data from your quarterly SF-269 Financial Status Reports and your SF-270 to calculate your pipeline and burn rates. (For more information, see *NGOConnect eNews* Issues #1 and #2, [Calculating Pipeline and Burn Rates](#) and [SF-269 Financial Status Reporting](#).)

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## References

SF-270 Request for Advance or Reimbursement  
<http://tinyurl.com/26246f>

*NGOConnect eNews* Issue #1 – Calculating Pipeline and Burn Rates  
<http://tinyurl.com/czln4h>

*NGOConnect eNews* Issue #2 – SF-269 Financial Status Reporting  
<http://tinyurl.com/cv4rqr>

**Items to Consider**

**Timing your SF-270 and SF-269 Submissions**

Since the FMO uses the information from your SF-269 Financial Status Report to process your SF-270 Request for Advance, it is important to make sure you have completed and submitted your SF-269 in a timely fashion. Though you are technically not required to submit the SF-269 until 30 days after the end of the quarter, waiting that long could delay the processing of your request for funds. Therefore, submit the SF-269 as soon as possible if you have a pending request for funds.

**Bank Account Requirements**

Your organization and your subrecipients are required to keep USG funds in interest-bearing accounts, separate from all other funds. You may only use a non-interest-bearing account if: 1) your organization (or one of your subrecipients) receives less than US\$120,000 in USG funds per year; or 2) an interest-bearing account requires a minimum balance that is so high as to make it impractical to use.

You may keep up to US\$250 of any interest earned to cover administrative costs. Interest earned in excess of US\$250 per year must be remitted to your funding agency.

**Keep an Eye on your Obligation Ceiling!**

The turn-around time for processing a request for funds is fairly short as long as you have sufficient funds obligated under your award. If you request funds above your obligation ceiling, your agreement will have to be modified to obligate additional funds to your award amount before the FMO can process your SF-270.

It is in your best interest to monitor your obligation amount closely. As soon as you have expended 75% of your obligation, contact your AOTR/COTR and Activity Manager and request that additional funds be obligated. (For more information on tracking your obligation amount, see the sidebar "Obligation vs. Award" in [NGOConnect eNews Issue #1 Calculating Pipeline and Burn Rates.](#))

**Estimating Advances**

When estimating your request, do not merely divide your annual budget by 12 months; instead, calculate specifically what you think you will spend in the upcoming month. Some elements of your budget may be divided evenly among months, (e.g., salaries), but some, such as purchases of non-expendable equipment, may happen all in one month (for example, at the beginning of a project).

Partners who are implementing with subrecipients should work together to ensure funding requests and spending are managed smoothly, so no organization runs out of money. To do this, ask subrecipients to provide monthly or (when approved) quarterly funding estimates. You also may wish to institute a process with subrecipients for advances and reimbursements similar to that which you follow for the USG.

**Filling Out the SF-270**

While the SF-270 is used to request advances or reimbursements from the USG, your agency's process may differ slightly from that outlined below. Always defer to the instructions provided by your FMO.

The SF-270 is a two-page form: the first page contains space for you to input information and data; the second is for signature and includes instructions on how to complete the form.

On the first page, there are three primary sections—the top portion for information about your grant and your request; the middle section in which you calculate your advance or reimbursement; and the third section for requesting advances only.

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**Downloading SF-270**

Download a PDF version of SF-270 at <http://www.whitehouse.gov/omb/grants/sf270.pdf>.

In order to take advantage of some of the form's features, including auto-calculations, be sure you have the latest version of Adobe Reader. Download it for free at <http://www.adobe.com/products/acrobat/readstep2.html>.

**Top Portion**

Below are tips for the key sections.

- **Box 1(a)** – The type of payment requested will be an *advance*, a *reimbursement* or a combination of the two.
- **Box 1(b)** – For all requests other than the final request at the end of your grant, select *partial* payment.
- **Box 2** – The basis of the request depends on the type of accounting system you are using.
- **Box 8** – The “period covered by this request” should be one calendar month (e.g., FROM January 1, 2009 TO January 31, 2009), unless otherwise directed by the FMO.

After completing the top portion, you must determine whether to fill out the full calculation area in the middle of the form or the simplified calculation area for *Advances Only* at the bottom of the form.

Fill out the full calculation area if any portion of the funds requested includes a reimbursement. You also must fill out the full calculation area if you have any **program income**.

If you are not requesting a reimbursement and do not have program income, you may skip down to the *Advances Only* portion of the form, described on the following page.

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*The U.S. Government disburses funds to grantees in two ways: 1) by advancing funds or 2) by reimbursing partners for expenses after the fact.*

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Initially, you will be limited to requesting funding advances one month at a time. When you have demonstrated that you are spending funds efficiently, your donor agency may allow you to request advances quarterly.

Though individual agency policies may vary, typically you will be required to complete and submit the SF-270 no earlier than a week before the month in which you require the funds.

**Calculation Area**

The primary calculation area includes three columns across the top (a-c) and a Total column. It is not necessary to break out your funding request across these columns unless directed to do so by your AOTR/COTR or FMO.

The calculations (rows labeled a-j) are explained and illustrated below.

| 11. COMPUTATION OF AMOUNT   |           |   |            |
|---|-----------|---|------------|
| PROGRAMS/FUNCTIONS/ACTIVITIES   | (a)       |   | TOTAL      |
| a. Total program outlays to date (As of date)   | \$        |   | \$ 175,000 |
| b. Less: Cumulative program income  |           |   | 0          |
| c. Net program outlays (Line a minus line b)  |           | 0 | 175,000    |
| d. Estimated net cash outlays for advance period  |           |   | 58,250     |
| e. Total (Sum of lines c & d)   |           | 0 | 233,250    |
| f. Non-Federal share of amount on line e  |           |   | 11,750     |
| g. Federal share of amount on line e  |           |   | 221,500    |
| h. Federal payments previously requested  |           |   | 167,500    |
| i. Federal share now requested (Line g minus line h)  |           | 0 | 54,500     |
| j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances | 1st month |   |            |
|   | 2nd month |   |            |
|   | 3rd month |   |            |

- a. **Total program outlays to date:** All expenditures for your program, including cost share, as of the beginning of the request period. In other words, if your request is for Jan 1 – 31, 2009, give the total outlays as of Dec. 31, 2008.
- b. **Less: cumulative program income:** If your program has earned any program income, enter it here.
- c. **Net program outlays** (Line a minus line b).
- d. **Estimated cash outlays for advance period:** How much you will need for the advance period (in our example, January 1 - 31, 2009). All funding needed (including cost share), regardless of any carryover cash on hand.
- e. **Total** (sum of lines c & d).
- f. **Non-federal share of amount on line e:** All past cost-share contributions, plus all cost-share contributions you plan to contribute during the advance period. (If you are not sure what cost share you may be able to commit to during the advance period, it is fine to put US\$0 in your SF-270, as long as you properly account for the actual cost share generated in your next SF-269.)

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### For More information

For this or other issues of this eNewsletter, please visit [www.NGOConnect.NET](http://www.NGOConnect.NET). The Web site is a dynamic and interactive portal dedicated to connecting and strengthening NGOs, networks and NGO support organizations worldwide.

Funding for this publication was provided by the U.S. Agency for International Development, under the Capable Partners Program (CAP). Its contents, managed by CAP, and do not necessarily reflect the views of USAID or the U.S. Government.

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- g. *Federal share of amount on line e*: This is the total amount you have requested from the USG toward this project to date, including the funds requested for the advance period.
- h. *Federal payments previously requested*: Sum of all money you have requested to date from the USG.
- i. *Federal share now requested (line g minus line h)*: The result will be the total amount of USG funds you need for the upcoming month (request period), less any unspent USG funds you have on hand.
- j. *Advances required by month*: The final row is used only when you request funds on a quarterly basis, but receive these funds in monthly installments.

### Advances Only

To fill out the alternate computation for advances only (*box 12*), calculate how much funding you will need for the next month and subtract the amount of any unspent USG funds you have remaining from your previous advance to come up with the amount you are requesting for the period. During the previous period, if you spent more than your previous advance, the unspent funds remaining block may show a negative amount.

### Submitting Your SF-270

Once you complete the first page, have the Project Director or other designated certifying authority within your organization sign and date the second page. Then, scan and e-mail the form to your FMO, copy your AOTR/COTR and USAID/Washington Activity Manager. USAID grantees also may e-mail the form to [ei@usaid.gov](mailto:ei@usaid.gov) and mark for the attention of your FMO. Always make a copy for your files and then *mail the original to your FMO*. If you have not heard from your FMO within a few days, e-mail him/her and your AOTR/COTR to make sure he/she has received your request.