

Implementation Tips for USAID Partners

Sharing Resources and Knowledge Among the Global CSO Community

Financial Management 8 | 2018

Definitions

Accrual Accounting—A method that records revenues on the income statement when they are earned and expenses when they are incurred—not when cash is paid.

Cash-basis Accounting—A method of bookkeeping that records expenses when cash is paid out and income when cash is received.

FFR—Federal Financial Report, also called the SF-425.

FMO—Your funding agency's Financial Management Officer.

Obligated Amount—The amount the USG has committed to the project at the time of the award, which may be the full amount of the award or a portion of the award amount. In other words, it is the amount available to your organization to spend on the project at that particular time.

The SF-425: Completing your USG Financial Status Reporting Form

Q. How do we complete the SF-425, and when is it due?

A. Recipients of USAID grant programs are required to submit periodic Federal Financial Reports (SF-425) in accordance with the reporting frequency specified in their agreements. The report indicates how much cash has been received, what the funds were used for, and the remaining balance left at the end of the reporting period.

Each report you submit must be supported by documentation sufficient to show how the drawn down funds were allocated to the line items in your agreement's budget.

The following tips are provided to help you complete the form. They are not meant to substitute for the USG instructions found online or for guidance provided by your Financial Management Officer (FMO). Instead, they aim to address some questions first-time users may have when filling out this form.

Filling Out the SF-425

Download a PDF version of SF-425. Use a separate SF-425 for quarterly reporting for each Cooperative Agreement. Do not use one SF-425 to cover multiple agreements. Start by filling out the top portion. It asks for basic information about your organization, grant and the period covered in this report.

Top Portion of the SF-425

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 <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final	7. Basis of Accounting <input checked="" type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual
8. Project/Grant Period From: (Month, Day, Year)		To: (Month, Day, Year)		9. Reporting Period End Date (Month, Day, Year)

[The numbers correspond to spaces in the form, so do not necessarily follow consecutively]

References

Download PDFs of these USG standard forms

- [SF-425](#) (Federal Financial Report)

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 <https://get.adobe.com/reader/>.

Program Income Guidance

- Non-U.S. Nongovernmental Organizations see [RAA15](#).
- US-based organizations see [2 CFR 200.307 - Program income](#).

Each agreement requires a separate SF-425. Do not use one SF-425 to cover multiple agreements.

- 1. Federal Agency and Organizational Element to Which Report is Submitted**—USAID or other USG funder.
- 2. Federal Grant or Other Identifying Number Assigned by Federal Agency**—Insert your Cooperative Agreement identification number. It may look something like XXX-A-00-09-00XXX-00 and can be found on the first page of your agreement.
- 4a. DUNS Number.** A Data Universal Numbering System (DUNS) number is a unique 9-digit number that is established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. It can be obtained from D&B by telephone (currently 866-705-5711) or the Internet (currently at fedgov.dnb.com/webform). A DUNS number applies to all prime and subawards; however, it is not required for awards to individuals, awards less than \$25,000 to foreign recipients (work performed outside the United States), or where the Agreement Officer has determined that it would cause personal safety concerns.
- 4b. EIN**—Employer Identification Number, for U.S. grantees only.
- 5. Recipient Account Number or Identifying Number**—This number is for your use only and is not required by the USG.
- 7. Basis of Accounting**—Cash basis refers to the accounting method in which expenses are recorded when they are paid. For accrual basis, expenses are recorded when they are incurred. Your accountant or financial manager will know whether you are reporting on a cash or an accrual basis.
- 8. Project/Grant Period**—The start and end dates of your award.
- 9. Reporting Period End Date**— Reports are submitted quarterly, semi-annually or annually, as specified in your agreement. Where reports are required to be submitted quarterly, the date for each report will depend on which quarter you are covering:
 - 1st Quarter: December 31
 - 2nd Quarter: March 31
 - 3rd Quarter: June 30
 - 4th Quarter: September 30

Next, fill out the middle portion, which contains the main calculations as outlined below. Some figures will be calculated automatically if you are using Adobe Reader. Once you have finished, double-check to make sure all the calculations are correct.

Cash basis refers to the counting method in which expenses are recorded when they are paid. For accrual basis, expenses are recorded when incurred.

Middle Portion of the SF-425

10. Transactions	Cumulative
<i>(Use lines a-c for single or multiple grant reporting)</i>	
Federal Cash (To report multiple grants, also use FFR Attachment):	
a. Cash Receipts	
b. Cash Disbursements	
c. Cash on Hand (line a minus b)	
<i>(Use lines d-o for single grant reporting)</i>	
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)	

Section 10: Transactions

Federal Cash

- a. Cash Receipts**—Enter the total amount of actual cash received from the USG (before deduction of bank fees and other miscellaneous fees) through the end date of the reporting period specified in line 9.
- b. Cash Disbursements**—Enter the cumulative amount of cash and check payments as of the reporting period end date. This total includes the sum of cash expended for goods and services, cash advances and payments made to subrecipients and contractors as well as the amount of indirect expenses charged to the award.
- c. Cash on Hand**—Enter the amount of Line 10a minus Line 10b.

Federal Expenditures and Unobligated Balance

- d. Total Federal Funds Authorized**—Enter the total obligated amount. This refers to the “Total Obligated USAID Amount” listed in your Cooperative Agreement. If this amount has been revised through a modification, please use the amount listed in the modification.
- e. Federal Share of Expenditures**—Enter the amount of expenses.
- f. Federal Share of Unliquidated Obligations**—If reporting on a cash basis, unliquidated obligations are obligations incurred but not yet paid. If reporting on an accrual basis, they are obligations incurred but for which an expenditure has not yet been recorded. Do not include an amount that has been reported in Line 10e as this would be double counting, and do not include any amount for a future commitment of funds (such as a long-term contract) for which an obligation or expense has not been incurred.
- g. Total Federal Share**—Enter the amount by adding line 10e plus line 10f.
- h. Unobligated Balance of Federal Funds**—Subtract line 10g from line 10d.

Recipient Share

- i. Total Recipient Share Required**— Enter the total required recipient cost share as listed in the Cooperative Agreement. If this amount has been revised through a modification, please use the amount listed in the modification.
- j. Recipient Share of Expenditures**—Enter the amount of cost share expended through the reporting period.
- k. Remaining Recipient Share to be Provided**—Enter the amount by subtracting line 10i minus line 10j.

Program Income

This section must be completed if the recipient will generate any income as a result of work performed under this agreement. If you do generate program income, it is important to review your agreement to determine how Program Income is to be used. If no income will be generated, lines (l), (m), (n) and (o) should be marked N/A.

Next, fill out the bottom portion, which contains the main calculations as outlined below. Some figures will be calculated automatically if you are using Adobe Reader. Once you have finished, double-check to make sure all the calculations are correct.

Finally, the bottom portion contains information on indirect expenses and the signature. All documents must be signed by the authorized certifying officer.

	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
11. Indirect Expense							
						g. Totals:	
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)	
						d. Email address	
b. Signature of Authorized Certifying Official						e. Date Report Submitted (Month, Day, Year)	
						14. Agency use only:	

Section 11: Indirect Expense

Complete this information only if required by the USG and in accordance with your Cooperative Agreement.

- b. Rate**—Enter the indirect cost rate(s) in effect during the reporting period.
- d. Base**—Enter the total amount against which the indirect rate is applied.
- e. Amount Charged**—Enter the amount of indirect costs charged during the time period specified.

For More Information

For this or other issues of *Implementation Tips*, please visit www.NGOConnect.net. The Web site is a dynamic and interactive portal dedicated to connecting and strengthening CSOs, networks and CSO support organizations worldwide.

Funding for this publication was provided by the U.S. Agency for International Development, under the Strengthening Civil Society (SCS) Global Leader Award. Its contents, managed by SCS Global, do not necessarily reflect the views of USAID or the U.S. Government.

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Section 13: Certification/Submission

Once you have finished, double-check to make sure all calculations are correct. Type in the name of the authorized certifying official (13a), have this person sign the form (13b), provide his/her contact information (13c/13d) and date the form (13e) Then scan and e-mail the form to your FMO specified in the agreement, copying your Agreement Officer's Representative (AOR). Always make a copy for your file. It is good practice if you have not heard from your FMO within 10 days to follow up to make sure your submission was received.

Due Dates for Submitting the SF-425

Reports are submitted quarterly, semi-annually or annually (based on Calendar Year) as specified in the agreement. While each Cooperative Agreement varies, most grantees are required to submit Federal Financial Reports 30 days after the end of a quarter, based on the USG's fiscal year (October 1–September 30). The table below lists the due dates for each quarter and what period each report covers. Please check your Cooperative Agreement to make sure this applies to you.

Period	Due	Covers
Quarter 1	Jan. 30	Oct. 1–Dec. 31 (of the previous calendar year)
Quarter 2	Apr. 30	Jan. 1–Mar. 31
Quarter 3	July 30	Apr. 1–June 30
Quarter 4	Oct. 30	July 1–Sept. 30
Final Financial Status Report	90 days after the end of the award	Entire life of award

