

Vol 1 - Part 6 - Chapter 7000
REPORTING INTEGRATED FUNDING TRANSACTIONS
OF FEDERAL ASSISTANCE PROGRAMS

Section 7010 – SCOPE AND APPLICABILITY

This chapter prescribes forms and procedures used by Federal agencies when accounting for and reporting integrated funding transactions. The requirements of this chapter apply to both agencies that do their own disbursing and those serviced by Treasury Regional Financial Centers (formerly disbursing centers).

Section 7015 – AUTHORITY

Provisions of 31 CFR 205, Treasury Department Circular No. 1075 - Fourth Revision (Appendix No. 1 to I TFM 6-1000), prescribe regulations governing advances to recipient organizations for financing operations under Federal grant and other programs. The circular also requires the Commissioner, Financial Management Service, to issue the implementing instructions.

The U.S. General Accounting Office approved the "direct charge method" for use in conjunction with OMB-approved integrated funding agreements.

Section 7030 – DEFINITIONS

Direct Charge Method - The method by which management agencies directly charge participating agencies' appropriations for project costs, based on those agencies' approving cross-certification authority to the management agency after executing OMB integrated funding agreements.

Federal Participant - Any Federal agency, department, corporation, independent establishment, or United States Government executive branch entity providing financial assistance to an integrated funding recipient during the projected funding period for the activity. A participating Federal agency may also be the lead and/or management agency.

Integrated Funding - Federal financial assistance from two or more Federal programs provided to a recipient by coordinating the funds administration through a single disbursing method.

Lead Agency - A Federal agency designated to coordinate Federal agencies involved in integrated funding. Lead agencies coordinate the recipient's contacts for Federal administrative matters related to the specified activity. The lead agency may also be the management agency.

Management Agency - The Federal participating agency designated as being responsible for administering integrated funding payments. This includes reporting funding transactions to

Treasury and providing financial data to participants to coordinate administrative and budgetary systems of control. Generally, the management agency is the lead agency.

Recipient - Any eligible State or local government, federally recognized Indian Tribal government, public entity or nonprofit organization receiving Federal funds under an integrated funding arrangement.

Section 7040 – REPORTING REQUIREMENTS

7040.10 - General

When two or more agencies have an integrated funding arrangement by which each makes contributions for financing recipient organizations, usually the payments will be made by the letter-of-credit method (I TFM 6-7050.20). These transactions are reported monthly to FMS on the special letter-of-credit SF 224: Statement of Transactions, by the management agency as prescribed in I TFM 6-2065.

When conditions require cash (check) payments outside of the letter-of-credit method, such disbursements will be reported by the management agency on its regular statement of transactions. The management agency administers funds disbursement and the financial and program reporting requirements; consequently, the participating agency is not required to report transactions of its program funds to Treasury.

7040.20 - Reporting Responsibility

The management agency reports to Treasury all authorized direct charges and adjustments to Federal participants' appropriations. The direct charge method can be used based on participating agencies' approval of cross-certification authority to the management agency after execution of OMB integrated funding agreements. Participating agencies have primary responsibility for ensuring that funds provided through an integrated funding arrangement are disbursed and expended properly. The participating agencies will receive monthly reports on disbursements charged to their appropriations on the management agency's SF 224.

7040.30 - Reporting Transactions

All integrated funding transactions will be supported by internal journal vouchers or adjustment documents used in the agency's normal accounting operations. Several types of transactions incident to the operations under an integrated funding arrangement may occur. The following is the primary transaction to be accommodated under an integrated funding arrangement (via letter-of-credit, an example of which is in Appendix No. 1):

- Transactions involving TFS Form 5401: Payment Voucher on Letter of Credit, and SF 183: Request for Payment on Letter of Credit and Status of Funds Report. These transactions will be reported on the management agency's letter-of-credit SF 224 by directly charging the Federal participating agencies' appropriation or fund accounts for the appropriate entries included in the total amount of the payment voucher.

7040.40 - Report Adjustments

Adjustments to correct discrepancies on the management agency's statement of transactions will be included in the report for the following month. Adjustments due to incorrect Treasury processing should be brought to the attention of:

Department of the Treasury
Financial Adjustment Branch, 600E
3700 East-West Highway
Hyattsville, MD 20782
(Telephone 301-436-6132)

7040.50 - Coordination with Federal Participation

Within 15 days after the close of the accounting month, the management agency will notify Federal participants of the amounts charged to the Federal participants' appropriation or fund accounts. This information will be used by Federal participants to maintain their administrative accounts and to prepare other financial reports required by Treasury and OMB.

7040.60 - Reconciliation Between Treasury, Management Agencies, and Participating Federal Agencies

All related charges and credits reported on statements of transactions by management agencies will be reported back to the management agencies and participating Federal agencies by the Service in standard microfiche format and also via optional telecommunications of TFS Form 6653: Undisbursed Appropriation Account.

Management agency charges to participating Federal agencies' accounts will be indicated by the management agency's 8-digit agency location code in the column "Reference/Location code." If differing amounts are reported to participating Federal agencies and management agencies by the Service on TFS Form 6653, participating Federal agencies should contact management agencies for reconciliation.

Section 7050 – OPERATING REQUIREMENTS

7050.10 - Application to Joint Funding

Existing jointly funded projects will continue under OMB guidelines until the project is renewed or completed, whichever occurs first. All new, jointly funded projects and renewed projects, where continuation funding has been approved, will be subject to the use of direct charge reporting.

7050.20 - Agency Location Code

All Federally funded programs must be funded by letter of credit if the criteria in Treasury Department Circular No. 1075 are met, unless a waiver has been obtained from the Commissioner, Financial Management Service. Consequently, each management agency, including those that perform their own disbursing, must have a special 8-digit letter of credit agency location code to report payment vouchers on letters of credit (I TFM 6-2000).

Section 7095 – INQUIRIES

Inquiries concerning accounting and reporting matters should be directed to:

Budget Reports Branch
Financial Reporting Division
Financial Management Service
Liberty Center, Room 749 UCP
Washington, DC 20227
(Telephone 202-566-6501)

APPENDIX NO. 1

[GRAPHIC]

SF 224