

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES
REHABILITATION SERVICES ADMINISTRATION
WASHINGTON, DC 20202

POLICY DIRECTIVE

RSA-PD-11-04

DATE: September 26, 2011

ADDRESSEES: SECTION 723 STATE VOCATIONAL REHABILITATION AGENCIES
CENTERS FOR INDEPENDENT LIVING UNDER THE PART C
PROGRAM

SUBJECT: Instructions for completing the Federal Financial Report (SF-425) for the
discretionary Centers for Independent Living program listed below.

POLICY
STATEMENT: The Office of Management and Budget (OMB) has replaced the short and
long form of the Financial Status Report (SF-269) required for reporting
financial data related to all Federally-funded programs with the new
OMB-approved Federal Financial Report (SF-425). OMB is requiring that
grantees use the SF-425 to report financial data for new and continuation
grants that were awarded on or after October 1, 2009. Through this Policy
Directive (PD), the Rehabilitation Services Administration (RSA) is
transmitting a copy of the SF-425 and instructions for completing the form
for the Centers for Independent Living Program (CILs Program).

RSA-PD-10-03 (December 22, 2009) already transmitted the same
information for the Vocational Rehabilitation (VR) program, and RSA-
PD- 11-03 (October 26, 2010) already transmitted this information for the
State Independent Living Grants Program and the Independent Living
Services for Older Individuals Who Are Blind Program.

Regulations governing the CILs program have required the submission of
an annual Financial Report (SF-269), but in the past, RSA permitted the
CIL grantees to forgo this requirement and relied on the drawdown of
funds by grant award and recorded such drawdowns as expenditures by
the grantees. However, RSA will now require grantees under the CILs
program to submit the SF-425 in accordance with the regulations, this PD,
and instructions for the form itself. RSA believes that the use of the SF-
425 data will permit it to more effectively monitor the financial status of
the grantee and to assess grantee compliance with the fiscal requirements
contained in the Rehabilitation Act of 1973, as amended (Rehabilitation

Act) and the Education Department General Administrative Regulations (EDGAR). Therefore, the reports must be accurate and submitted timely.

All CILs program grantees must submit an annual completed SF-425 and a final SF-425. However, because CIL grantees do not receive their grants until the end of the fiscal year in which they were appropriated and use them entirely during the carryover year, so that the end of the fiscal year coincides with the end of the grant period, the SF-425 submitted by the CIL grantees each year will be considered both the annual and final SF-425.

The SF-425 must be submitted no later than December 31 of each year, that is, 90 days after the end of the grant period, which, in the case of the CIL program, is also the end of the fiscal year (September 30).¹ Because grantees may liquidate obligations for 90 days after the grant period end date, the timing of liquidating obligations may preclude submission of the final SF-425 within 90 days of the grant period end date. If this is the case, the CIL grantee must file by December 31, an annual report showing all data for the reporting period ending September 30 and request an extension for filing the final SF-425. CIL grantees must then file the final SF-425 when they have liquidated all obligations from the reporting year or when the time period granted as an extension by the Department expires, whichever comes first.

Electronic Submission

Forms must be submitted electronically through the RSA Management Information System (MIS).

To enter data into this form online, visit <http://rsa.ed.gov>. For technical support, click *help* and then *technical support* at that website. To enter data, individuals must have a user ID. If you do not have a user ID, select *click here to get a user id* for instructions. The procedures for obtaining a user ID are also located in the "Getting Started" section of the RSA MIS User Guide at:

http://www.ed.gov/rschstat/eval/rehab/rsamis/rsamis_help.html

If you have any questions about completing the SF-425, please contact the RSA IL staff contact person for your state.

¹ If grantees liquidate all grant funds before the end of the grant period, they may file the final SF-425 at that time.

CITATIONS

IN LAW: Sections 3(b), 19, 108, and 704(m)(4)(D) of the *Rehabilitation Act of 1973*, as amended.

CITATIONS IN REGULATIONS:

34 CFR 74.2, 74.21, 74.24, 74.25(e)(1), 74.27, 74.52; 34 CFR 75.530, 75.700, 75.702, 75.720; 34 CFR 77.1; 34 CFR 80.3, 80.20, 80.22, 80.23, 80.25, 80.41(b), 80.50; 34 CFR 364.5, 364.6, 364.34, 364.36, 366.4; 34 CFR 366.6, 366.23(a)(3), 366.35, 366.50(g).

EFFECTIVE DATE OF POLICY:

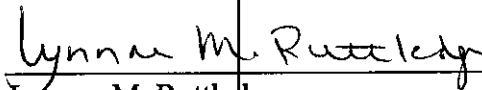
Immediately Upon Issuance

EXPIRATION DATE:

Until Retired

INQUIRIES TO:

RSA Fiscal Unit Staff



Lynnae M. Rutledge
Commissioner
Rehabilitation Services Administration

Attachment

cc: Council of State Administrators of Vocational Rehabilitation
National Disability Rights Network
National Council for Independent Living

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element	2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)	Page 1	Of	Pages
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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 type="checkbox"/> Cash <input type="checkbox"/> Accrual
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8. Project/Grant Period From: (Month, Day, Year)	To: (Month, Day, Year)	9. Reporting Period End Date (Month/Day/Year)
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10. Transactions Cumulative
(Use lines a-c for single or multiple grant reporting)

Federal Cash (To report multiple grants, also use FFR Attachment):

a. Cash Receipts	
b. Cash Disbursements	
c. Cash on Hand (line a minus b)	

(Use lines d-o for single grant reporting)

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)	

11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
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):

	4. Agency Use Only Standard Form 425 OMB Approval Number: 0348-0061 Expiration Date: 10/31/2011
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Paperwork Burden Statement
 According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0060), Washington, DC 20503.

SF-425 Form: RSA Grants Program Reporting Instructions

While the SF-425 is designed for single grant and multiple grant award reporting, the U.S. Department of Education's (ED) policy is that multiple grant award reporting is not permitted for ED grants. The SF-425 attachment (SF-425A), which is to be used for reporting multiple grants, is not to be used for ED grants and is not included with this PD. As such, references to multiple grant reporting and to the SF-425A in items 2, 5 and 10 of the SF-425 are not applicable to ED grantees. ED requires grantees to complete a separate SF-425 for each grant they receive.

1. Federal Agency and Organizational Element to Which Report is Submitted:
Data entry is not required for this field. RSA is the default entry.
2. Federal Grant or Other Identifying Number Assigned by Federal Agency:
Data entry is not required for this field. The program's grant award number is the default entry. This is the Award Number listed in Box 2 of the Grant Award Notice (GAN).
3. Recipient Organization:
Data entry is not required for this field. The organization's name and address associated with the grant will be the default entry. This is the organization information listed in Box 1 of the GAN.
- 4a. DUNS Number:
Data entry is not required for this field. The Grantee Data Universal Numbering System (DUNS) number associated with the grant will be the default entry. This is the DUNS number listed in Box 8 of the GAN.
- 4b. EIN:
Data entry is not required for this field. The Employer Identification Number (EIN) associated with the grantee will be the default entry. This number is also known as the Tax Identification Number (TIN).
5. Recipient Account Number or Identifying Number:
This is an optional data element. Enter an account number or any other identifying number assigned by the grantee to the award. This number is for the GRANTEE'S USE ONLY and is NOT required by RSA. Data entry is limited to 30 characters.
6. Report Type:
Select annual or final. A report can be marked as final prior to the end of the grant award period if the grantee has liquidated available funds and no additional reporting is required for the grant award.
7. Basis of Accounting (Cash/Accrual):
Specify whether a cash or accrual basis was used for recording transactions related to the grant award and for preparing the SF-425. For cash basis accounting, expenses are recorded when they are paid. Accrual basis of accounting refers to the accounting method where expenses are reported when incurred. Accrued expenditures are recorded when goods or services are received, regardless of when cash is received or paid. It is permissible for an agency to use a modified-accrual basis for reporting program expenditures. If using a modified-accrual basis, select accrual in this field. To report accrual information such as unliquidated obligations, the grantee is not required to convert its accounting system to the accrual basis, but shall develop such accrual information through an analysis of the documentation on hand (34 CFR 80.20 and 80.41(b)(2) for State agencies; 34 CFR 74.21 and 74.52 for nonprofit organizations).

Note: A grantee can report using either a cash or accrual basis of accounting. However, if a grantee changes from one basis to another, the grantee should inform RSA of the change.

8. Project/Grant Period (From/To):

Data entry is not required for this field. The grant period will be entered by default and will be the same as Box 6 on the GAN that documents when Federal sponsorship begins and ends. The time period represents the period for which the funds were awarded in accordance with 34 CFR 77.1. The grant period is one year.

9. Reporting Period End Date:

Data entry is not required for this field. The reporting period end date will be entered by default and will correspond with the required annual reporting period, 9/30. The period covered is always the beginning date of the grant through the end of the reporting period. For example, if the report is for FY 2011, the period covered is October 1, 2010 through September 30, 2011. When submitting the final SF-425 for any grant award, the reporting period end date shall be the end of the grant period. If grantees liquidate all grant funds before the end of the grant period, they may file the final SF-425 at that time.

10. **Transactions**

10a. Federal Cash Receipts:

Enter the cumulative amount of grant funds drawn down from the beginning of the grant period to the reporting period end date. **Funds should be reported when they are received or drawn down by the payee or grantee, not when the drawdown is requested.** If a drawdown is requested but not received by the end of the reporting period, the funds should be reported in the subsequent report.

10b. Federal Cash Disbursements:

Enter the cumulative amount of actual disbursements made from Federal funds drawn down as of the reporting period end date. Disbursements are the sum of actual cash expenditures made for direct charges for goods and services, the amount of indirect expenses charged to the award, and the amount of cash advances and payments made to subcontractors.

10c. Federal Cash on Hand (10a minus 10b equals 10c):

Data entry is not required for this field. This data element is calculated automatically by the RSA-MIS. If more than three business days of cash are on hand, RSA requires an explanation on line 12, Remarks, explaining why the drawdown was made prematurely or other reasons for the excess cash. Grantees must minimize the time elapsing between drawdown of Federal funds and disbursement by the grantee in accordance with Treasury regulations at 31 CFR part 205 (34 CFR 80.21(b) for State agencies; 34 CFR 74.22(a) for nonprofit organizations).

10d. Total Federal Funds Authorized:

Data entry is not required for this field. This data element is updated automatically through the RSA-MIS and represents the total amount of Federal funds awarded to the grantee as of the end of the reporting period.

10e. Federal Share of Expenditures:

Enter the cumulative amount of actual disbursements made from Federal funds as of the reporting period end date. This amount is for expenditures that are the sum of cash disbursements for direct charges for goods and services, the amount of indirect expenses charged to the award, and the amount of cash advances and payments made to subcontractors. **Do not include program income received by the grantee on line 10e. See line 10l for instructions regarding the reporting of program income.**

10f. Federal Share of Unliquidated Obligations:

Enter the Federal portion of unliquidated obligations incurred by the grantee. Unliquidated obligations include direct and indirect expenses for goods and services incurred by the grantee, but not yet paid or charged to the grant award, including amounts due to subcontractors. (34 CFR 74.2 and 34 CFR 80.3)

Do not include the following amounts on line 10f:

1. Expenditures reported on line 10e.
2. Future commitments for funds for which an obligation or expense has not been incurred pursuant to 34 CFR 76.707.

Note: Grantees have 90 days from the end of the grant period to liquidate Federal obligations (34 CFR 80.23(b) for State agencies and 34 CFR 74.71 for nonprofit organizations). This 90-day liquidation period applies regardless of whether the grantee uses a cash or accrual basis of accounting. If the timing of liquidating obligations precludes submission of the final SF-425 within 90 days of the grant period end date, grantees can request an extension for filing the final SF-425. In addition, the grantee must submit a request for late liquidation to RSA, within 30 days before the end of the 90-day liquidation period, in order to allow additional time to liquidate the cost in accordance with ED's policy on late liquidations dated June 5, 2007. On the final report, this line should be zero.

10g. Total Federal Share (Sum of 10e and 10f equals 10g):

Data entry is not required for this field. This data element is calculated automatically by the RSA-MIS.

10h. Unobligated Balance of Federal Funds (10d minus 10g equals 10h):

Data entry is not required for this field. This data element is calculated automatically by the RSA-MIS. For the final report, this represents the amount of Federal funds awarded that the grantee did not request or drawdown. If this amount includes any cash on hand, the grantee must return the funds.

10i. Total Recipient Share Required: Enter 0 on this line.

10j. Recipient Share of Expenditures:

Enter the grantee's total amount of non-Federal expenditures as of the end of the reporting period. This amount must include the grantee's actual cash disbursements or outlays (less any rebates, refunds, or other credits), including payments to contractors, AND the grantee's unliquidated obligations. The amount reported on line 10j does not include program income earned by the grantee. See line 10l for instructions regarding the reporting of program income.

The grantee must report the non-Federal amount of unliquidated obligations, included on line 10j, separately on line 12d, Remarks.

10k. Remaining Recipient Share to Be Provided (10i minus 10j equals 10k):

Data entry is not required for this field. This data element is calculated automatically by the RSA-MIS.

10l. Total Federal Program Income Earned:

Enter the total amount of Federal program income earned and received by the grantee as of the end of the reporting period. **Program income is considered earned in the fiscal year in which the funds are actually received by the grantee** (34 CFR 74.24; 34 CFR 80.25). Therefore, the amount reported on line 10l should not change after the grantee submits its annual report for any fiscal year.

Program income means gross income received by the grantee that is directly generated by an activity supported under the grant program or earned as a result of grant agreement during the grant period (34 CFR 74.24 and 80.25(b); 34 CFR 364.5).

10m. Program Income Expended in Accordance with the Deduction Alternative:

For those grantees using the deduction alternative, enter the amount of program income earned within the grant that was used to reduce the Federal share of the total program costs. Program income earned may be expended in accordance with the deduction or addition alternative. The grantee must expend program income funds in accordance with the same standards of allocability and allowability in OMB Circular A-87 or A-122 that are applicable to Federal funds (section 108 of the Rehabilitation Act, 34 CFR 364.5, 34 CFR 74.24, 74.27, 80.22, and 80.25(g)(2)). Be advised that if an agency utilizes this section, the amount of funds entered will reduce the Federal share of the grant, which will result in the return of these funds to RSA.

10n. Program Income Expended in Accordance with the Addition Alternative:

For those grantees using the addition alternative, enter the amount of program income earned within the grant that was used to supplement the Federal share of the total program costs. The amount reported on line 10n represents actual disbursements, i.e., outlays of program income by the grantee. The outlay of all program income funds must meet the same standards of allocability and allowability in OMB Circular A-87 or A-122 that are applicable to Federal funds (section 108 of the Act, 34 CFR 364.5, 34 CFR 74.24, 74.27, 80.22, and 80.25(g)(2)).

10o. Unexpended Program Income (10l minus 10m or 10n equals 10o):

Data entry is not required for this field. This data element is calculated automatically by the RSA-MIS.

Note: In accordance with 34 CFR 80.21(f)(2) for State agencies and 34 CFR 74.22(g) for nonprofit organizations, grantees shall disburse program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such *before* requesting additional cash payments.

11. **Indirect Expense:**

Indirect costs are generally charged to Federal awards via an indirect cost rate. The rate is simply the percentage relationship of indirect costs to direct costs and is substantiated by a standardized set of work papers referred to as the indirect cost proposal. Any grantee that wishes to claim indirect costs under Federal grants must prepare an indirect cost proposal and submit it to the cognizant Federal agency for approval (OMB Circular A-87, Attachment A, Paragraphs B and F for State agencies and OMB Circular A-122, Attachment A, Paragraph D for nonprofit organizations). Grantees claiming indirect expense based on an approved cost allocation plan (CAP), rather than an indirect cost rate, should follow the directions included in the line item instructions below.

11a. Type of Rate(s):

Select whether the approved indirect cost rate is Provisional, Predetermined, Final or Fixed. If based on an approved CAP, select CAP.

11b. Rate:

Enter the approved indirect cost rate(s) in effect during the reporting period. For cost allocation plans only, enter 100% of the costs attributable to this award.

11c. Period From; Period To:

Enter the beginning and ending effective dates for the approved indirect cost rate(s) or cost allocation plan.

11d. Base:
Enter the amount of the base against which the approved indirect cost rate(s) was applied. The base includes allowable expenditures to which the approved indirect cost rate may be applied. For a cost allocation plan (CAP), enter the total amount of the CAP costs.

11e. Amount Charged (11b multiplied by 11d equals 11e):
Data entry is not required for this field. This data element is calculated automatically by the RSA-MIS.

11f. Federal Share:
Enter the Federal share of the amount in 11e.

11g. Totals:
Data entry is not required for this field. This data element is calculated automatically by the RSA-MIS.

12. Remarks:

This area is used to report data elements unique to the grant award that are necessary to ensure compliance with program requirements. This area can also be used to clarify amounts reported and explain the circumstances regarding excess Federal cash shown on line 10c

12a. Innovation and Expansion Amount for VR State Grants Program:
Not applicable for the grants covered by this PD.

12b. Administrative Cost for SEP Only:
Enter the cumulative administrative costs for the Supported Employment Program (SEP).

12c. In-Service Training for VR State Grants Program:
Not applicable for the grants covered by this PD.

12d. Recipient Share of Unliquidated Obligations:
Enter that portion of unpaid obligations to be paid with non-Federal funds.

12e. Program Income Transferred:
Not applicable for the grants covered by this PD.

13. Certification:

By signing this report, the grantee certifies that it is true, complete, and accurate to the best of their knowledge. Additionally, any false, fictitious, or fraudulent information may subject the grantee to criminal, civil, or administrative penalties (U.S. Code, Title 18, Section 1001).

13a. Typed or Printed Name and Title of Authorized Certifying Official:
Enter name and title of authorized certifying official.

13b. Signature of Authorized Certifying Official:
The authorized certifying official must sign here.

13c. Telephone (Area Code, Number and Extension):
Enter the telephone number (including area code and extension) of the individual listed in line 13a.

13d. E-mail address:
Enter the email address of the individual listed in line 13a.

13e. Date Report Submitted:

Data entry is not required for this field. This date is automatically entered when the report is submitted.