

# Community Services Block Grant

## Unaudited Financial Statements 101



# CSBG Unaudited Financial Statements (UFS)

- What?
  - Final budget reports from which preliminary determinations of allowable costs will be made
- Where?
  - Submitted to Department of State, Bureau of Fiscal Management
- Why?
  - Contractually required as described in Section III(G)(2)(a)(iv) of the Master Contract and Attachment D Section II(A)
- When?
  - Due within 60 days after the end of the contract period

# New for FFY 2021

As a result of feedback received from DOS staff and the CSBG network, DOS has revised the UFS for Federal Fiscal Year 2021 to have a dual purpose:

- 1) in addition to the final report of expenditures, and
- 2) the 2021 UFS may be used to request and receive approval from DOS for minor modifications to the budgeted amounts for each line item based on actual grant expenditures.

# Minor Budget Modifications

## What is a minor modification

A change of less than 10% of the total value of the contract for the contract period between cost categories:

- that does not result in the addition of new program activities that are not part of the current Attachment C (CSBG Work Plan), or
- the deletion of existing program activities.

## What is not a minor modification

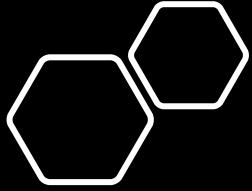
- A change equal to or greater than 10% of the total value of the contract for the contract period for contracts less than \$5 million; or
- a change equal to or greater than 5% of the total value of the contract for contracts of more than \$5 million dollars; and
- a change of scope: the proposed modification will result in the addition of new program activities that are not a part of the current CSBG Work Plan or deletion of existing program activities.

# Modification Request and Approval Section

Summary of changes to Exhibit 1 and reason(s) for amendment													
<p><i>The budget amounts noted above in Column (4) and detailed in Exhibit 1A and/or 1B are based on changes in actual spending.</i></p> <p><i>These changes <input type="checkbox"/> <b>did</b> <input type="checkbox"/> <b>did not</b> result in a change in the workplan and scope of the work performed under this project.</i></p> <p><i>In submitting this statement of actual expenditures reflecting a minor modification to the grant expenditures, I am requesting approval of these expenditures.</i></p> <p><i>Modifications exceeding 10% of the annual award or resulting in a change to the scope or workplan require a formal contract amendment.</i></p>													
<b>Grantee Authorized Requestor Signature:</b>													
<table border="0" style="width: 100%;"> <tr> <td style="width: 25%;">Signed</td> <td style="width: 45%;">Print Name</td> <td style="width: 15%;">Title</td> <td style="width: 15%;">Date</td> </tr> </table>										Signed	Print Name	Title	Date
Signed	Print Name	Title	Date										
<table border="0" style="width: 100%;"> <tr> <td style="width: 45%;"><b>NYS Department of State Authorized Approval:</b></td> <td style="width: 15%;"><input type="checkbox"/> Approved</td> <td style="width: 40%;"><input type="checkbox"/> Requires further action*</td> </tr> </table>										<b>NYS Department of State Authorized Approval:</b>	<input type="checkbox"/> Approved	<input type="checkbox"/> Requires further action*	
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*Further action required:													
UFS 10/8/21													

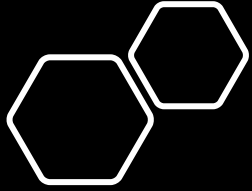
# Components of a modification request

- The subrecipient will fill in a summary of the changes on Exhibit 1 as well as a reason for the amendment
- The subrecipient will check the appropriate box to indicate the changes
  - Did, or
  - Did not result in a change in the workplan and scope of work performed
- If the subrecipient checks “Did”, the request cannot be approved as it does not meet the definition of minor modification and they must submit a formal amendment request
- The grantee authorized signer will sign to request approval of the modification
- After recommendation by the assigned fiscal field representative (FFR) and program analyst (PA), DCS ARU will review and sign to indicate DOS approval of the modification
  - If the FFR, PA or ARU requires additional information, they will check the “Requires further action” box and include details in the comment box



# Modification Scenario 1

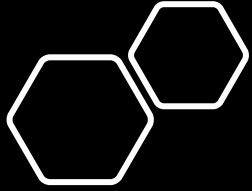
- *Assuming total budget is for 10/1/20-9/30/21 is \$250,000 (10% is \$25,000)*
- In total, PS was underspent by \$10,000
- In total, Other Costs were overspent by \$10,000 on activities that are part of the currently approved workplan
- This could be amended with the UFS because the change between the major cost categories (PS and Direct) is less than 10%



# Modification Scenario 2

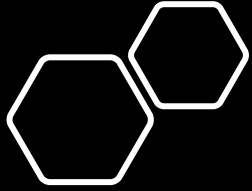
- *Assuming total budget is for 10/1/20-9/30/21 is \$250,000 (10% is \$25,000)*
  - In total, PS was underspent by \$30,000
  - In total, Other Costs were overspent by \$30,000 on activities that are part of the currently approved workplan
  - This cannot not be amended with the UFS because the change between the major cost categories (PS and Direct) is more than 10%
  - This would require a formal budget amendment





# Modification Scenario 3

- *Assuming total budget is for 10/1/20-9/30/21 is \$250,000 (10% is \$25,000)*
- Within PS category, there are changes totaling \$30,000 between already budgeted employees performing activities currently in the approved workplan
- This could be amended with the UFS because there is no change between the major cost categories – all changes are within 1 cost category, PS



# Modification Scenario 4

- *Assuming total budget is for 10/1/20-9/30/21 is \$250,000 (10% is \$25,000)*
  - Within PS category, there are changes totaling \$10,000, including the addition of 2 employees for a program that just started and is not already part of the approved workplan
  - This cannot be amended with the UFS because this does not meet the definition of minor modification
  - The addition of new activities that are not already part of the workplan require a formal amendment

# QUESTIONS



# 2021 UFS Exhibit 1

STATEMENT OF REVENUES AND EXPENDITURES						
BUDGET COMPARED TO ACTUAL - CSBG						
For the Contract Budget Period: 10/01/20 - 9/30/21						
	(1)	(2)	(3)	(4)		
	2021 Approved Budgeted Amounts (in whole dollars)	2021 Actual (in whole dollars)	2021 Actual (Over)/Under	2021 Amended Budget Amounts (in whole dollars)		
<b>Revenues</b>						
Federal Grant Income			\$0	\$0		
Program Income	XXXX		\$0	XXXX		
Interest Earned	XXXX		\$0	XXXX		
<b>Total Revenue</b>	\$0	\$0	\$0	\$0		
<b>Expenditures</b>						
Personnel Services			\$0			
Delegate Agencies			\$0			
Contractual Services/Audit			\$0			
Equipment Purchase/Lease			\$0			
Direct Costs			\$0			
Indirect/Admin/De Minimis			\$0			
<b>Total Expenditures</b>	\$0	\$0	\$0	\$0		
<b>Revenue (Over)/Under Expenditures</b>	XXXX	\$0	XXXX	XXXX		

# 2021 UFS Exhibit 1

## Information in columns 1, 2 and 3

- Contract amount
- Payments received from DOS
- Budget amounts
- Actual expenditures
- Variances between budget and actual
- Revenue over expenditures (also known as fund balance or carryover)

## Information in column 4

- Amended amounts reflecting minor budget modifications that the subrecipient is requesting DOS approval of, based on actual expenditures

# 2021 UFS Prior Year Carryover

STATEMENT OF REVENUES AND EXPENDITURES						
BUDGET COMPARED TO ACTUAL - PRIOR YEAR CARRYOVER-CSBG						
For the Contract Budget Period: 10/01/20 - 9/30/21						
	(1)	(2)	(3)	(4)		
	2020 Approved Carryover Budgeted Amounts (in whole dollars)	2020 Carryover Actual (in whole dollars)	2020 Carryover (Over)/Under	2020 Carryover Amended Amounts (in whole dollars)		
<b>Revenues</b>						
Federal Grant Income			\$0	\$0		
Program Income	XXXX		\$0	XXXX		
Interest Earned	XXXX		\$0	XXXX		
<b>Total Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
<b>Expenditures</b>						
Personnel Services			\$0			
Delegate Agencies			\$0			
Contractual Services/Audit			\$0			
Equipment Purchase/Lease			\$0			
Direct Costs			\$0			
Indirect/Admin/De Minimis			\$0			
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
<b>Revenue (Over)/Under Expenditures</b>	<b>XXXX</b>	<b>\$0</b>	<b>XXXX</b>	<b>XXXX</b>		<b>XXXX</b>

# 2021 UFS Prior Year Carryover

## Information in columns 1, 2 and 3

- Budget amounts or prior year carryover
- Actual prior year carryover expenditures
- Variances between budget and actual
- Revenue over expenditures (any amount here will be lapsed funds, can no longer be spent by the subrecipient and must be returned to HHS)

## Information in column 4

- Amended amounts reflecting minor budget modifications that the subrecipient is requesting DOS approval of, based on actual expenditures

# 2021 UFS Exhibit 1A Salary Detail

BUDGET COMPARED TO ACTUAL - CSBG											
SALARY DETAIL											
For the Contract Budget Period:			10/1/20-9/30/21								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
TITLE	Employee Initials (please show multiple initials under each position if more than 1 staff member held the position)	Total Annual Salary	2021 Approved Budget (in whole dollars only)	2020 Approved Carryover Budget (in whole dollars only)	2021 Actual (in whole dollars only)	2020 Carryover Actual (in whole dollars only)	Actual For Position Total (more than 1 employee in the same position)	Amended 2021 Budget Requested (in whole dollars only)	Amended 2020 Carryover Budget Requested (in whole dollars only)		
		\$					\$0				
		\$					\$0				
		\$					\$0				
		\$					\$0				
		\$					\$0				
		\$					\$0				
		\$					\$0				
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		\$					\$0				
		\$					\$0				
		\$					\$0				
		\$					\$0				
		\$					\$0				
		\$					\$0				
Total Salaries		XXXXXXXXXX	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Fringe Benefits		XXXXXXXXXX					\$0				
<b>Total for Personnel Services</b>		XXXXXXXXXX	\$0	\$0	\$0	\$0	\$0	\$0	\$0		



# 2021 UFS Exhibit 1A Salary Detail

## Information in columns 1 - 8

- Position title
- Initials of all employees in the position during the budget period
- Current annual salary for the position
- Approved budget for current year funds and prior year carryover
- Actual salary expenditures for current year and prior year
- Actual total for each budgeted position

## Information in columns 9 and 10

- Amended amounts for current year funds and prior year carryover reflecting minor budget modifications that the subrecipient is requesting DOS approval of, based on actual expenditures

# 2021 UFS Exhibit 1B Direct Detail

		<b>BUDGET COMPARED TO ACTUAL - CSBG</b>								
		<b>DIRECT DETAIL</b>								
		For the Contract 10/01/20 - 9/30/21								
		(1)	(2)	(3)	(4)	(5)	(6)	(7)		
<b>COST CATEGORY</b>	<b>DETAILED DESCRIPTION OF EXPENDITURES</b>	<b>2021 Approved Budget (in whole dollars only)</b>	<b>2020 Approved Carryover Budget (in whole dollars only)</b>	<b>2021 Actual (in whole dollars only)</b>	<b>2020 Carryover Actual (in whole dollars only)</b>	<b>2021 Actual Expenditure Total</b>	<b>2021 Amended Budget Requested (in whole dollars only)</b>	<b>Amended 2020 Budget Requested (in whole dollars only)</b>		
5.a	Bank Charges					\$0				
5.b	Beneficiary Client Costs					\$0				
5.c	Board Allowance and Development					\$0				
5.d	Consumable Supplies					\$0				
5.e	Employee Development and Recruitment					\$0				
5.f	Insurance and Bonding					\$0				
5.g	Postage, Freight and Express					\$0				
5.h	Publications, Printing, and Subscriptions					\$0				
5.i	Repairs and Services					\$0				
5.j	Space Costs					\$0				
5.k	Telephone and Electronic Communications					\$0				
5.l	Travel					\$0				
5.m	Marketing/Public Awareness/Outreach					\$0				
5.n	Technology					\$0				
<b>TOTAL</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

# 2021 UFS Exhibit 1B Direct Detail

## Information in columns 1 - 5

- Approved budget for current year funds and prior year carryover
- Actual expenditures for current year and prior year
- Actual total for each cost category

## Information in columns 6 and 7

- Amended amounts for current year funds and prior year carryover reflecting minor budget modifications that the subrecipient is requesting DOS approval of, based on actual expenditures

# Summary of Changes to the UFS Exhibits

- On the Prior Year Exhibit, the Salary Detail Exhibit and the Direct Detail exhibit, there is:
  1. A comment box where the subrecipient should enter a brief description of the reason(s) for changes to that exhibit and
  2. the following statements: Changes in major or minor budget lines require justification and a request for authorization to modify the budget. This must be approved in writing by the NYS Department of State. Changes between major budget categories may require a formal contract amendment as required by the contract Terms and Conditions.

# 2021 UFS Balance Sheet

This should report CSBG information only

## Assets

Cash – the amount of CSBG cash on hand at 9/30/21

Grant receivable – any amount DOS still owes the subrecipient as of 9/30/21

Due from other funds – any funds due CSBG from other subrecipient funds

## Liabilities

Accounts Payable - the total from the Accounts Payable Schedule – will auto fill

Accrued Payroll – amount of payroll accrued as of 9/30/21

Due to other funds – any funds CSBG owes other subrecipient funds

## Fund Balance

This amount will auto fill from Exhibit 1 and represents the revenue over expenditures (also known as prior year carryover and will be budgeted on the subsequent years budget)

STATEMENT OF CSBG ASSETS, LIABILITIES AND FUND BALANCE		
For the Contract Budget Period Ended 9/30/21		
<b><u>Assets</u></b>		
Cash		
Grant Receivable -NYS Dept. of State		
Due From Other Funds(1)		
Other (specify)		
<b>Total Assets</b>		<b>\$0.00</b>
<b><u>Liabilities</u></b>		
Accounts Payable	\$0.00	
Accrued Payroll		
Due to Other Funds(1)		
Other (specify)		
<b>Total Liabilities</b>	<b>\$0.00</b>	
<b><u>Fund Balance</u></b>		
CSBG	\$0.00	
<b>Total Fund Balance</b>	<b>\$0.00</b>	
<b>Total Liabilities and Fund Balance</b>		<b>\$0.00</b>

# 2021 UFS Accounts Payable

For all CSBG payables as of 9/30/21, the subrecipient will list:

- Payee
- The CSBG amount of payable
- The Check number used to pay the payable (if paid by ACH, that may be indicated here)
- The check date (or date of ACH, if applicable)

The total will auto fill to the balance sheet

SCHEDULE OF ACCOUNTS PAYABLE				
As reported on Exhibit 2				
For the Contract Budget Period Ended 9/30/21				
<u>Payee</u>		<u>Amount</u>	<u>Check Number</u>	<u>Check Date</u>
		\$0.00		

**Report accounts payables as of 09/30/21. Include the check number and check dates for subsequent payment to demonstrate liquidation of the liabilities.**

# 2021 UFS Fixed Assets

- Any assets purchased with CSBG entitlement funds under the contract being reviewed with a purchase price of \$5,000 or more should be listed here.
- If there are assets listed, they should be recorded in the subrecipients fixed asset management system

SCHEDULE OF FIXED ASSET PURCHASES			
Costing \$5,000.00 or more			
For the Contract Budget Period Ended 09/30/21			
<u>Description of Asset</u>	<u>Date of Purchase</u>	<u>Purchase Price</u>	
<b>Are these assets recorded in the Agency's fixed asset management system?</b>			
<b>If no, explain:</b>			

# Fiscal Field Representative (FFR) Review

Through the course of their review of the UFS, FFR's will complete the following:

- Confirm receipt of a signed cover page and the UFS package contains all the required pages
- Verify contract number is accurate
- Verify the budget amounts on all exhibits match the most recently approved budget
- Obtain reports of CSBG actual expenditures generated from the subrecipients accounting system to verify:
  - Accounting system generated expenditure reports trace to the actual expenditures reported on exhibits 1 and 1B,
  - Accounting system generated expenditure reports to review transactions to ensure nothing appears to be unallowable or in need of further review
  - Accounting system and/or payroll provider reports trace to the actual amounts reported on exhibit 1A.



# Fiscal Field Representative (FFR) Review, cont.

Through the course of their review of the UFS, FFR's will complete the following:

- Trace the amounts on the balance sheet to the subrecipients books and records
- Trace each item account payable to:
  - The paid invoice and/or supporting documentation paying particular attention to the date the expenditure was incurred to ensure it was within the contract period
  - Canceled check or payment verification per the bank statement – this is done to ensure liabilities are liquidated within 90 days of the end of the budget period
- For each item listed on the Schedule of Fixed Asset Purchases, the FFR will review the purchase documentation and any procurement documentation that is required (if it has not previously been reviewed during routine monitoring)

# Fiscal Field Representative (FFR) Review, cont.

- If during any of the reviews the FFR identifies an unallowable cost or a reporting discrepancy, the fund balance is updated to account for the change.
- Once a final fund balance is computed, the FFR will prepare a letter to be sent to the subrecipient notifying them of the amount to be budgeted on the next years contract as prior year carryover.

# Sample Carryover Letter

Re: Unaudited Financial Statements Review Report – 2021 CSBG – C100xxxx

Dear Mr. John Doe:

We have completed our review of the Unaudited Financial Statements pertaining to the above referenced program, covering the activities of Community Action Agency, Inc. under contract with the Department of State, for the period ended September 30, 2021.

This review determined that there is an unexpended fund balance totaling \$xx,xxx.xx. You will be contacted by Division of Community Services personnel regarding disposition of this carryover.

A copy of this letter should be provided to your auditor as documentation of the Department's preliminary determination that the expenditures, and any contractually required conditions as reported or modified above, are within acceptable limits of compliance.

Upon receipt of your financial Audit, a final determination of allowable costs will be made and a letter notifying your agency of this determination will be issued.

Sincerely,

Ms. Cynthia Denick  
Supervising Accountant  
Bureau of Fiscal Management

Cc: M Rosa  
Program Supervisor  
Program Analyst  
Fiscal Field Rep  
ARU File  
CAU File

# QUESTIONS

