

U.S. ELECTION ASSISTANCE COMMISSION

HAVA Funding Federal Financial Reports (FFRs) Guidance

The Election Assistance Commission (EAC) requires all grantees to submit a financial report using the standard federal SF425 form. Starting in 2020, EAC is requiring the use of the Department of Health and Human Services [Payment Management System](#) (PMS) to prepare and submit the SF 425.

Due dates. All FFRs are due to the EAC every six months by April 30 (for the period ending March 31) and by December 29 (for the period ending September 30). Financial data reported on the FFR is always cumulative over the life of the grant.

The first FFR for CARES is not due on December 29th 2020, but instead due February 28, 2021 (for the period March 28 – December 31, 2020). If you have not met all your match for CARES by December 31, 2020, you will follow the due dates for all other FFRs above until you have met the match.

Submission Instructions. States must submit separate reports for each individual grant from EAC. Financial data for the FFR is submitted through PMS. EAC registered all active grants for each state in PMS and provided the account information to each state to set up their authorized users. Instructions for using the PMS system are available through PMS, including access to a user guide once you sign into your PMS account.

Your expenditures should come directly from and reconcile to your accounting system. In addition, you must maintain back-up documentation supporting all expenditures and have it readily available for audit purposes.

I. COMPLETING THE FFR

To access the FFR you must first log into the PMS system using the credentials you received when you first set up the users for your account.

Once you are in the FFR component of the PMS system, you will see and access the FFRs you will be required to submit to EAC on your grantee dashboard. Most of grantees will have at least two active grants in the system, your Election Security and CARES Act grants. Many states will also have 251 and/or older 101 grants. Entering the data in PMS is straightforward and fields that have been pre-populated or are auto-calculated which you cannot change will be greyed out. The fields that are auto-populated are generated from data supplied by EAC, including data in most boxes 1 through 9 with the exception of the following:

Box 6: For the report due December 29, check the annual box. For the report due April 30, check Semi-Annual. If you have expended all federal funds and interest earned and are ready to submit the Final FFR, please contact EAC to set up the Final FFR in PMS.

Box 7: Basis of Accounting. Check Cash or Accrual. Specify whether a cash or accrual basis was used for recording transactions related to the award(s) and for preparing the FFR. Accrual basis of accounting refers to the accounting method in which expenses are recorded when incurred. For cash basis accounting, expenses are recorded when they are paid

EAC also requires grantees to submit progress reports that describe activities accomplished during the year and associated expenditures related to the state plan and objectives. The progress report is separately submitted through Alchemer (previously known as Survey Gizmo). Please refer to the EAC Progress Report Guidance for more information.

A. Transactions. Follow the instructions in the PMS system to enter your expenditure data in Section 10, Transactions. You will enter the following:

Line b

Cash Disbursements. Enter the amount of cumulative expenditures. It should be the same amount you enter on Line e.

Line e

Federal share of expenditures. Report federal **expenditures from the beginning of the project period.** For Section 251 and older 101 grants, the project period began sometime in 2004 or 2005. The Election Security grant project period began 3/23/2018. CARES Act grants began 3/28/2020.

This is a change from EAC's 2019 instructions for reporting on the 251 and older 101 grants EAC closed on an interim basis. In 2019, you only reported on carryover authorized amounts and expenditures. Going forward, to conform with PMS, you will always report on cumulative expenditures from the beginning of the project period. To determine the cumulative amount as of 9/30/19, you will need to refer to both your 2018 and 2019 FFRs.

Line f

Federal share of unliquidated obligations. If you have any costs incurred during the reporting period that you have not yet paid, enter them here as unliquidated obligations.

Line i

Total recipient share required: Report your cumulative required state match, interest earned on your state share and all program income **from the beginning of the grant project period.** **This is a change from EAC's 2019 instructions for reporting on the 251 and older 101 grants EAC closed on an interim basis. In 2019, you only reported on carryover amounts and expenditures.** Going forward, you will always report on cumulative state match, interest earned and program income from the beginning of the grant as you did for all years prior to 2019. See the instructions for the Remarks section below for additional data EAC needs on state interest and program income earned.

Line j

Recipient share of expenditures. Report cumulative expenditures **from the beginning of the grant project period** paid for with state funds, the interest earned on state funds and program income. **As with the amount on Line 10i, this is a change from the 2019 instructions for reporting on the 251 and older 101 grants.** You will report cumulative expenditures as you did prior to the 2019 report. See the instructions for the Remarks section below for additional data EAC needs on expenditures you covered with state-earned interest and program income.

Line l

Total Federal program income earned. Lines l – o: This line is used by EAC exclusively to track federal interest earned. Do not use this section to report program income earned or program income expenditures. Enter the cumulative sum of the interest earned on the federal share only **from the beginning of the grant project period.** **As with the federal and state expenditures, this is a change from the 2109 instructions for reporting on the 251 and older 101 grants.** You will report cumulative interest earned as you did prior to the 2019 report. Do not report program income or interest earned on the state share in this section.

Line m

Program Income expended in accordance with the deduction alternative. Do not use this line. EAC uses the additive method, not the deductive method that is reported in this box.






Line n

Program Income expended in accordance with the addition alternative. Enter the cumulative amount of funds expended with federal interest earned on this line **from the beginning of the grant project period.** Report cumulative expenditures as you did prior to the 2019 report.

B. Indirect Expense. Follow the instructions in the PMS system to enter your indirect cost data in Section 11, Indirect Expense. If you did not apply indirect costs to your federal or state share you can skip this section.

- a. Type of agreement. Select Provisional, Predetermined, Final, or Fixed.
- b. Rate. Enter the indirect cost rate(s) in effect during the reporting period
- c. Period from and to. Enter the beginning and ending effective dates for the rate(s).
- d. Base. Enter the amount of the base against which the rate(s) was applied.
- e. Amount charged. Enter the amount charged during the time period specified. (Multiply 11b. x 11d.)
- f. Federal Share. Identify what portion of the amount reported in 11e. is Federal Share.

C. Remarks. Follow the instructions in the PMS system to enter the remarks in Section 12, Remarks. This is a required section. Use this section to enter the data below as well as any other information needed to clarify amounts on your FFR. At a minimum, you will enter the following:

-  State Interest Earned: Please enter the current year amount earned.
-  State Interest Expended: Please enter the current year amount expended.
-  Program Income Earned: Please enter the current year amount earned.
-  Program Income Earned Breakdown: Please individually list the source of the income next to each amount.
-  Program Income Expended: Please enter the amount of Program Income expended in the current year.

Report interest and program income separately. Do not combine them. This is a required section. If you did not earn or expend program income or state interest, you will report \$0, but you must report.

Remarks Example:

State interest earned: \$84,360
State interest expended: \$45,300
Program income earned total: \$22,421
Program income earned breakdown: \$12,000 Source: Sale of registration list
\$10,421 Source: Sale of Vehicle
Program income expended: \$0

II. SUPPORTING DOCUMENTATION CHECKLIST

- All costs claimed are included on the approved budget.
- The costs claimed on the FFR reconcile to the accounting system.
- There is sufficient supporting documentation for all the claimed expenses on file.
- If you are claiming indirect costs, you have calculated the amount correctly. You have an approved negotiated rate or are using a de minimus rate.

- Salary costs claimed on the FFR are properly supported with an appropriate timekeeping system.
- Grant-funded equipment is tracked and documented on a comprehensive inventory list on file.
- You have confirmed allowability of any promotional or marketing expenses.
- Funds used for capital improvements have prior approval from EAC.

III. FREQUENTLY ASKED QUESTIONS (FAQs)

A. Where do we record interest earned on State matching funds?

Interest earned on state matching funds is reported on Line 10i as part of the Total Recipient Share Required. You will also provide a breakdown of the current year's amount on Line 10i that is earned interest in Section 12, Remarks.

B. Where do we report interest earned on the federal share?

Interest earned on the federal share is reported in the Program Income section, on Line 10(l). We must track interest generated on federal funds separately, so we have dedicated lines 10 (l, n and o) exclusively to this purpose. Actual program income is reported on Line 10i as part of the Total recipient Share Required and also tracked in Section 12, Remarks along with the amount of program income expended.

C. What is net program income?

Program income is income you earn as a direct result of activities supported under the grant. For example, if you developed cyber security training materials with grant funds and charge your voting districts for them, the funds you receive in payment are program income. Net program income is the amount of income remaining after deducting the costs of providing the materials to voting districts, such as shipping costs. If you include expenses incurred related to program income in the expenditures on the report, you should report total program income on Line 10(i), not net income.

D. Do we report our EAC funds on one FFR form or on separate forms?

You should have one form for each type of funds being reported: 101; 251; Election Security (combined) and CARES. If you have already submitted a final FFR for Section 101 or 251 funds, you do not need to submit additional 101 or 251 reports.

E. We only have until December 31, 2020 to spend the 2020 HAVA CARES grant funds. What happens to the interest earned during that period if we have not spent it within the time period?

You should make every attempt to spend all interest earned using the additive method during the grant period. After that, any remaining unexpended interest earned on the federal funds belongs to the federal government. Any unused federal funds will also be returned to the federal government. This also applies to any program income earned, but not expended, during the grant period. You will have until March 28, 2022 to meet the matching requirement. If you meet the match earlier we will be able to close out the grant once you have met the match. If you do not meet the match requirement proportionate to the federal funds expended you must refund the government the difference in match. EAC will provide further guidance upon reviewing your reporting of expenditures in the FFR.