Financial Systems

Financial Systems

Recipients of federal funding are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. See the DOJ Financial Guide, Recipients must have a financial management system in place that is able to **record and report** on the **receipt, obligation, balances and expenditure** of award funds. Keep detailed accounting records and documentation to track all of the following information:

- Federal funds awarded
- Federal funds drawn down
- Assistance Listings title and number
- Federal award identification number
- Year award issued
- Name of DOJ grant-making component or pass-through agency
- Cost sharing funds of State, local, and private organizations, when applicable
- Program income
- Subawards (amount, purpose, award conditions, and current status)
- Contracts expensed against the award
- Expenditures
- Itemized records supporting all grant receipts, expenditures and match contributions in sufficient detail to document the exact nature of fiscal activity
- Data and information for each expenditure and match contribution with proper reference to a supporting voucher or bill properly approved
- Maintain payroll authorizations and vouchers
- Maintain a time and effort reporting system. Time and effort reports must do the following:
    - Describe work activity related to the project
    - Match the expenses submitted with the corresponding claims
    - Be signed and dated by both the employee and supervisor
    - Document eligible hours worked on grant activities, itemized by funding stream
    - Document match hours in the same manner as paid staff

Please consult Subpart D of 2 C.F.R. Part 200, including 2 C.F.R. § 200.302, for more information.

Co-mingling of funds - Commingling is the blending of funds from different sources into one account with no ability to separate, track, report on and account for each award. Co-mingling federal awards is not allowed and will result in an audit finding or the potential for grantees to return some or all of their federal award. To avoid co-mingling funds, grantees must have adequate financial systems in place.

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