

CHAPTER XII

USING THE COFRS GRANTS OR PROJECT MODULE

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PURPOSE:

The purpose of these procedures is to provide guidance to state agencies in the optional use of the COFRS Grant Accounting and Project Accounting modules as they may be applied to the management of capital construction/controlled maintenance projects. The COFRS Grant Accounting subsystem was developed to provide for inception-to-date reporting of expenditures and revenues throughout the life of multi-year grants. It also provides an automated process for recording earned augmenting revenues and receivables, and calculating receivable billing amounts as well as providing for the tracking of expenditures, revenues and receivables by individual grant. These features can be readily applied to capital construction/controlled maintenance projects and be used for more efficient financial management. Project module guidelines have been developed by COFRS to assist state agencies in budget/expense tracking on various capital construction/controlled maintenance projects.

Although the project administration differs in each state agency, the COFRS manuals are readable, understandable, and include step-by-step instructions. For more information, see COFRS User Reference Manual, Volume 4, Section 7 - Grants Subsystem or Volume 4 Section 8- Projects Subsystem.

DEFINITIONS:

See Chapter 1, Section 2.

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

Expenditures for authorized capital construction/controlled maintenance projects must be accounted for on a project by project basis throughout the life of the project. Since most projects are authorized for a period of three years, maintaining records of project life activity through the normal fiscal year appropriation and accounting system can be burdensome and inefficient. Both the Grant Accounting subsystem and the Project Accounting subsystem provide a systematic method of recording and reporting activity on both a State fiscal year basis and on a project life or inception to date basis.

While both the Grant subsystem and the Project subsystem provide for project life reporting, there are several differences between the two and how they can be used in the management of capital construction projects. These two subsystems will be discussed in two separate sections in this chapter.

SECTION 1
USING THE COFRS GRANTS MODULE

The COFRS Grant Accounting module was designed for the financial management of federal and private grant activity within the state. Because many of the features of the system were designed to improve the efficiency of specific accounting and financial activities, many state agencies have adapted the use of this module to other areas where the activities and needs are similar. Capital construction projects are one of the areas where this adaptation has proved very worthwhile.

Some of the features of the Grant Accounting module which are particularly useful in the financial management of capital construction projects are:

- ♦ Ability to track both state fiscal year and project life activity through standard COFRS reports.
- ♦ Ability to automatically calculate and record earned revenues and receivables at the same time expenditures are recorded.
- ♦ Simplicity in adjusting total project authorizations as a result of supplemental and /or special bills.
- ♦ Ability to edit that all transactions related to a project are recorded against the project and maintained for the life of the project.

In order to utilize the features of the grant accounting module for capital construction projects, the individual projects must be established as grants. This can be done even if the project authorization is not the result of a true grant but is funded from the capital construction fund. Details for establishing a grant in the grant accounting module are available in Volume 4, Section 7, Chapters 3 & 4 of the COFRS User Reference Manual.

PROCEDURAL STEPS:

Establishing a Project as a Grant in the Grants Module:

Step 1: Establish desired “Grant Control Options” on the Fund/Agency (FAGY) table in fund 461 (see Volume 1, Ch. 10, COFRS Manual).

Step 2: Set the GBL required option on the APP2 table to “Y” for the project appropriation. This will mandate the use of GBL coding for all activity involved with the project (see Volume 2, Section 2, Ch. 4, COFRS Manual).

- Step 3:** Determine a “Grant” number and “Grant Budget Line/s” for the project. The project number may be used as the “Grant” number and the last four (4) characters of the project number may be used for the GBL code if desired.
- Step 4:** Establish the “Grant Budget Line - GBL” code on the GBLC table (see Volume 4, Section 7, Ch. 4 COFRS Manual).
- Step 5:** Establish the desired accounting validation criteria for the project on the Grant Validation (GVAL) table (see Volume 4, Section 7, Ch.4 COFRS Manual).
- Step 6:** Process a Grant Master (GM) transaction to establish the project as a grant (see Volume 4, Section 7, Ch 3 COFRS Manual).
- Step 7:** If the project is funded in part or in whole by augmenting revenue, establish the revenue and receivable distribution account codes and percentages on the Revenue Accrual (REVA) table (see Volume 4, Section 7, Ch. 4 COFRS Manual).

Adjusting the Project Authorization Amount

If the authorized amount of the project changes as the result of a supplemental or special appropriation bill passed by the legislature, the amount of the change can be easily processed in the Grants module also.

- Step 1:** Process an AP document to record the change in the appropriation according to the procedures in Chapter 2, Section 2 of this manual.
- Step 2:** Process a GM document to record the change in the Grants module. The total recorded in the Grants module should equal the total project authorization.

SECTION 2
USING THE COFRS PROJECT MODULE

The basic function of the project module is to assist in the tracking of capital construction/controlled maintenance projects and sub-projects for the duration of the project. The project module tracking system varies from the more generally used COFRS system in that it will incorporate more than one year. Should your project utilize the entire three year period to complete (as allowed by statute), the project module will accumulate the entire three years expenditures and reflect them on the Agency Project Inquiry (AGPR) and Project Budget Line Inquiry (PRBL) Tables.

Some of the features of the Projects module, which are particularly useful in the financial management of capital construction projects, are:

- ♦ Ability to track both State fiscal year and project life activity through standard COFRS reports.
- ♦ Ability to collect all project related information, both financial and descriptive.
- ♦ Ability to support a wide variety of reporting options.
- ♦ Ability to support and track activity at multiple sub-project and phase levels.
- ♦ Simplicity in adjusting total project authorizations as a result of supplemental and/or special bills.
- ♦ Ability to monitor and budget at sub-project and phase levels.

In order to utilize the features of the Projects module for capital construction projects, the individual projects must be established in the Projects module with a unique project number. Details for establishing a project in the Projects module are available in Volume 4, Section 8, Chapters 2 & 3.

PROCEDURAL STEPS:

Establishing A Project in the Project Module

Step 1: Gather the information necessary to complete the Project Master (PJ) transaction document. This includes project authorization (SC 4.1) document, appropriation number, source of funding, total authorized amount.

Step 2: Determine if multiple sub-project and phase levels will be used for budgetary and reporting based on state agency needs.

Step 3: Process a Project Master (PJ) transaction to establish the project in COFRS (see Volume 4, Section 8, Ch. 3 COFRS Manual).

Adjusting the Project Authorization Amount

If the authorized amount of the project changes as a result of a supplemental or special appropriation bill passed by the legislature, the amount of the change can be easily processed in the Project Module also.

Step 1: Process an AP document to record the change in the appropriation according to the procedures in Chapter 2, Section 2 of this manual.

Step 2: Process a PJ document to record the change in the Projects module (see Volume 4, Section 8, Ch. 3 COFRS Manual). The total recorded in the Projects module should equal the total project authorization.

Both the Grant Accounting and Projects modules offer many features which will make the financial management of capital construction projects more efficient and provide better management reports.