MANAGEMENT AND BUDGET

Internal Memo

Date: December 30, 2020

To: Agency CFOs, Agency Budget Directors, Agency Accounting Directors

From: Bryan Dahl, Financial Planning Director; Ron Mavetz SWIFT System Support Director

RE: Appropriation Set Up Instructions for State Agencies Receiving FEMA Reimbursement

This memo instructs agencies how to implement SWIFT budget and accounting instructions when FEMA reimbursement is received. The instructions are organized in two steps:

1. Instructions regarding the treatment of the original funding source after expenditures have been reallocated to the new federal fund appropriations
2. Instructions to implement new federal fund appropriations and expenditure corrections once FEMA reimbursement is received

General instructions for coordination with MMB for treatment of original funding source:

After correcting expenditures to a new 3000 fund appropID, agencies should coordinate with their EBO to ensure that there is mutual agreement with MMB on the legal requirements and intended use of the original funding source. The following is a general guide for various allocations of the original funding source based on intended use and legal requirements.

- In general, if the original funding source is CRF or COVID MN (3010 or 1251 fund allocation), the portion of the allocation reimbursed by FEMA should be cancelled in AMA/SWIFT so that the funds are made available for a new/future allocation. There may be situations where the intent or legal requirement for the newly available funding differs from these instructions, please coordinate with your EBO.
- If the original funding is a direct appropriation from another state funding source, ensure that SWIFT attributes follow current law and availability of funding and coordinate with your EBO to ensure MMB agreement.

SWIFT accounting and budget instructions to receive FEMA funds and set up new appropriations:

Establishing Appropriations

1. Agencies that are applicants for FEMA public assistance will be notified by FEMA to log in to the Grants Portal and sign off at the time expenditures are approved for a specific project.

2. The Department of Public Safety/Homeland Security Emergency Management is the grantee for purposes of FEMA's public assistance program. HSEM will notify agencies once FEMA funding is received by DPS and provide instructions to agencies to invoice DPS for the approved expenditures using the bilateral netting process. Use Revenue Code 511017 for the receipt. This new revenue code is only for FEMA reimbursement.

3. **After agencies receive the approval notice from HSEM**, the agency should
   a. Forward the notification to their EBO
   b. Establish an appropriation in the federal fund (3000) for each approved project using the attributes below:
   c. Establish the new appropID in the current budget FY, as that is when the funds were received.

Field	Attribute
Entry Type	Create New Appropriation ID
Fund	3000
Amount	$0.00
Budget Status	Open
Budget Authority	G
Approp Type	04
Dedicated Receipt Cap	N
LLBC	09
Dedicated Revenue Direct Appropriation	E
Legal Cite 1	MS 12.221 4
Legal Cite 2	(blank)
Legal Cite 3	COVFE

Requirement to Use the Grants Module for FEMA Appropriations

Agencies are required to establish a grant award for each FEMA subgrant received in the Grants module in SWIFT. This requirement will help ensure the State of Minnesota is able to accurately account for FEMA transactions in the Single Audit process.

Establishing a Grant Award in the SWIFT Grants Module after FEMA Appropriation is Established

Review and complete the steps provided in the Enter Grant Proposals Quick Reference Guide to create a grant award in SWIFT.

Here is a list of values to use when establishing a grant award for a FEMA subgrant:

Field	Values
Title	FEMA
Description	FEMA
Reference Award ID Number	(blank)
Sponsor ID	P070100001
CFDA	97.036
Facilities & Admin Requested checkbox	(unselect)
Start Date	7/1/2020
End Date	6/30/2021
Project ID	Value must begin with your 3-digit agency code, then the 6 digit FEMA project code, then "FEMA". Example:G9R123456FEMA
Project Type	FEDSG

Be sure to complete all the steps listed in the Quick Reference Guide to establish the grant award, including entering the award amount into the Budget Detail page of the proposal prior to generating the award.

MMB requests agencies create a new grant for each FEMA subgrant awarded. Creating separate grants will allow agencies to transact within a single appropriation in the 3000 Fund, but still track and report on the distinct activity for each award.

FEMA reimbursements will be subject to the Single Audit and has been assigned a Catalog of Federal Domestic Assistance (CFDA) number of 97.036. This CFDA number must be used to track these funds.

Project Coding for Transactions to the 3000 Fund

All transactions coded to the 3000 fund require project funding information in the *PC Business Unit, Project ID, Activity ID, and Source Type* fields in addition to the standard State of Minnesota ChartFields. This requirement applies to transactions originating in both SWIFT and SEMA4.

Completing the steps above to create a Grant Award in SWIFT will establish a *Project ID* and *Activity ID* to use in transactions. Agencies should use REIMB as the *Source Type* value on all transactions. This value marks the transaction as paid for by the Grantor and drives a transaction's inclusion in Single Audit reporting.

	PC Business Unit	Project ID	Activity ID	Source Type
Instruction	Agency PC Business Unit	Use value established on Grant Award	Use value(s) established on Grant Award	REIMB
Example	G9R01	G9R123456FEMA	1	REIMB

If you have any questions about establishing grants or coding project transactions, please contact the SWIFT Help Desk.

Instructions for Agencies Utilizing the Grants-to-Billing Process in SWIFT

Because agencies will receive grant funds from DPS prior to incurring expenditures, the grants-to-billing process is modified for transactions against appropriations established for FEMA subgrants.

During the SWIFT nightly batch, billable rows generated from reimbursable transactions will automatically be set to BLD status (billed) rather than BIL (billable). Agencies will not generate grant bills after incurring expenditures to these subgrants.

Please contact the SWIFT Help Desk with questions or concerns regarding the grants-to-billing process

Moving Existing Expenditures to FEMA Appropriations

Payroll Expenditures

Agencies will need to process expense transfers in SEMA4 to move payroll expenditures paid from existing appropriations to FEMA appropriations. There are two types of expense transfers:

One-to-One Expense Transfer

Agencies would process a one-to-one expense transfer when transferring payroll expenditures from one appropriation to another appropriation. SEMA4 allows users to enter one-to-one expense transfers for one pay period, or for a range of consecutive pay periods.

- o [Steps to process a one-to-one expense transfer.](#)

One-to-Many Expense Transfer

Agencies would process a one-to-many expense transfer when transferring payroll expenditures from one appropriation to two or more appropriations. SEMA4 allows users to enter one-to-many expense transfers for a single pay period.

- o [Steps to process a one-to-many expense transfer.](#)

Non-Payroll Expenditures

Agencies will need to process Journal Voucher corrections to move non-payroll expenditures which have already been paid from existing appropriations to FEMA appropriations. See the [Journal Vouchers](#) reference guide for additional information on processing these transactions.

For reporting purposes, Journal Voucher corrections to move expenditures to FEMA appropriations *must use the Supplier ID* entered on the original voucher, and should not reference the XXECORRECT supplier ID. The corrections should be entered with enough granularity to ensure that key transaction information such as supplier ID and the full source accounting string are properly reflected. Agencies should let the accounting date default to the current day and should code the budget date on the BFY 2020 line to 06/30/2020 and the budget date on the BFY 2021 line to 7/1/2020.

For assistance with entering Journal Vouchers or modifying encumbrances, please contact the SWIFT Help Desk.

Agencies should notify their EBO once expenditures have been redirected to the new 3000 FEMA appropID in SWIFT.