



Accruals

Region 6 Technical Assistance Series

Importance

Accurate quarterly financial reporting is a critical requirement of your grant.

Your Role

Requirements

20 CFR 667.300

29 CFR Part 95 and 97

Definitions

ETA-9130 Report

One-Stop Training Assistance Guide (TAG)

Data

Issue / Finding



Inaccurate reporting of accruals is one of the top Region 6 monitoring findings.

Definition

Accruals are goods and services received in a given period but not paid.

Expenditure Reporting

Cash Based = Cash is recorded when spent **and** Expenditures recorded when payment is made

Accrual = Revenue is recorded when earned **and** Expenditures recorded when item received



Let's take a look at some examples of accruals.

**Staff
Salaries,
Wages
and Fringe
Benefits**

**Funded
Annual
Leave**

**Travel
Ticked has
been
purchased
or
Travel
occurred**

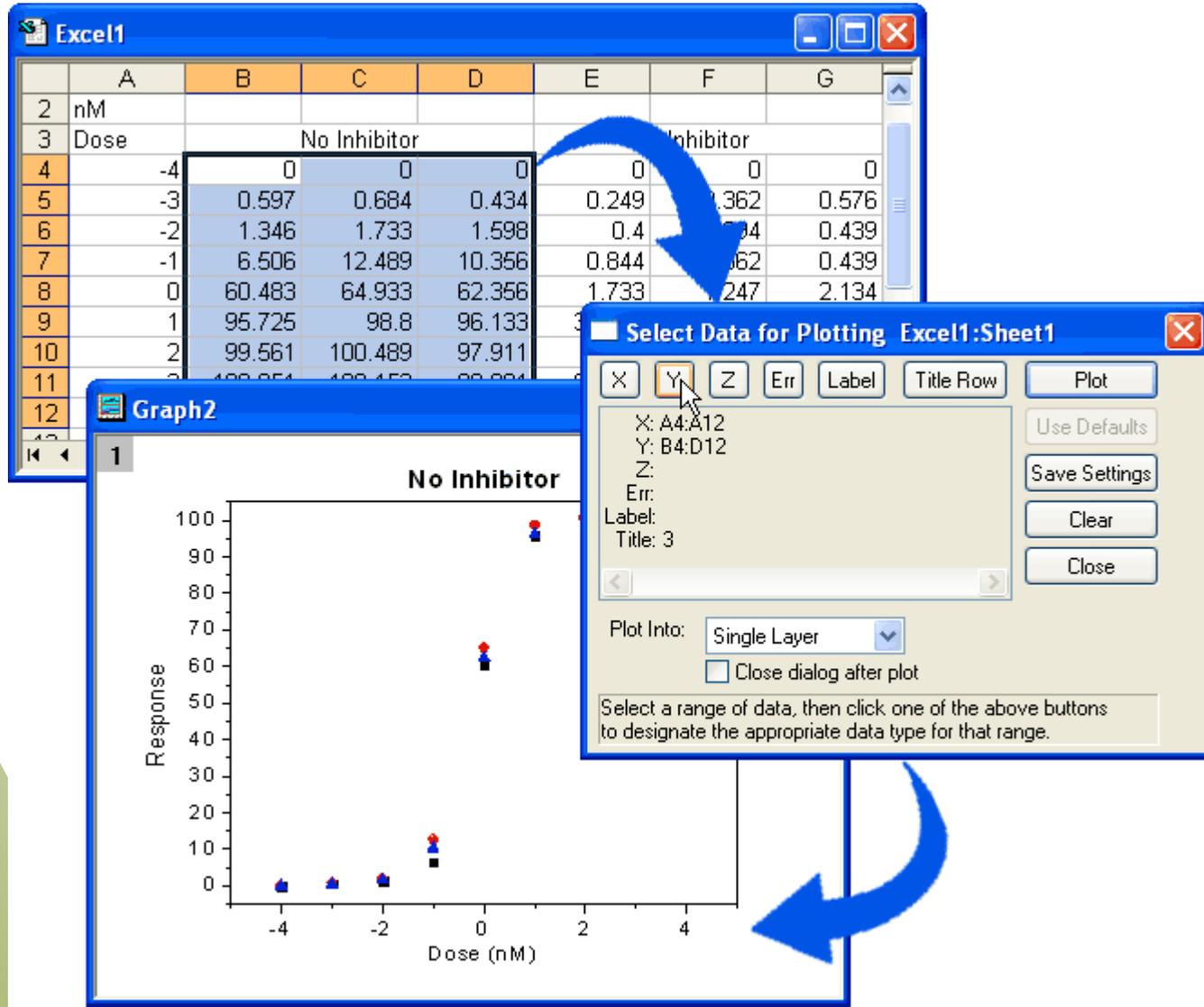
Let's take a look at some examples of accruals.

**You receive
a partial
order for
goods but
the invoice
has not
been paid.**

**A contractor
has started
training
participants
but the
invoice has
not been
received.**

An invoice from your sub is
not an accrual.

Linking spreadsheets, supporting documentation, and written policies and procedures are three key parts of an accrual tracking system.



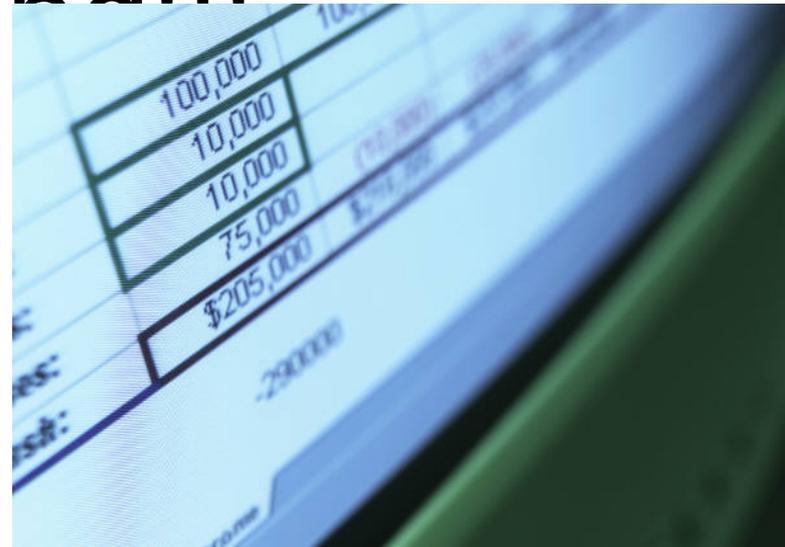
What are key qualities/parts of a good linking spreadsheet?



Tracking!!!

Reconciling!!!

Documentation!!!



Critical Elements

- ❑ Supporting documentation of accruals and estimates is needed.
- ❑ Written policies and procedures should be in place at the grantee and sub-grantee levels.

Accruals must be reported on Line 10e of the quarterly ETA-9130 financial report.

10. Transactions:	Previous Period	This Period	Cumulative
Federal Cash: (DOL records reflect total quarter end cumulative drawdowns of \$ 3,408,419.00 for all components of this subaccount.)			
a. <u>Cash Receipts</u>	Amt from last Qtr	Current Qtrs Drawdowns	Total rec'd from PMS
b. <u>Cash Disbursements</u>	Cash Disbur Prev Qtr	This Qtr Cash Disbur	Total Disbur from 10a
c. <u>Cash on Hand (line a minus b)</u>	Pre-calculated	Pre-calculated	if >0 explain in Sec12
Federal Expenditures and Unobligated Balance:			
d. <u>Total Federal funds authorized</u>	Amount should agree with grant & Current NOO		Pre-entered Exopt WIA Formula
e. <u>Federal share of expenditures</u>	Cummed from last QTR	Accrued this Qtr	Total Accrued Expenditures
f. <u>Total administrative expenditures</u> Note: This amount is included in Line 10e	Cummed from last QTR	Admin accrued this Qtr	Total Accrued Admin Exp
g. <u>Federal share of unliquidated obligations</u> Note: The amount here is for unpaid legally binding commitments to pay.			Obligations Not Paid
h. <u>Total Federal obligations (sum of lines e and g)</u>			Auto-Calculated
i. <u>Unobligated balance of Federal funds (line d minus h)</u>			Auto-Calculated

Does accrual reporting requirements still apply if our books of account are on a cash basis?

Yes

Do accrual reporting requirements still apply if I'm on a reimbursement system?

Yes

Accrual expenditures reporting scenarios.

Team-Builders Org.

As of 6/15/2013

DOL Grant	\$600,000
Expenditures	
Org.'s Disbursements	\$100,000
Checks written	
Org.'s Goods Received (not billed, not paid)	\$ 25,000
All Sub's Expenditures Invoices	\$ 50,000
All Sub's Goods received (not billed, not paid)	\$ 15,000

**What is the
amount of
accruals?**

- a. \$190,000
- b. \$ 40,000
- c. \$115,000

Accrual expenditure reporting scenarios.

Team-Builders Org.
As of 6/15/2013

DOL Grant	\$600,000
Org.'s Disbursements	\$100,000
Checks written	
Payroll	
Org.'s Goods Received (not billed, not paid)	\$ 25,000
All Sub's Expenditures Invoices	\$ 50,000
All Sub's Goods received (not billed, not paid)	\$ 15,000

**What amount
goes on Line
10e of the ETA-
91202**

- a. \$150,000**
- b. \$175,000**
- c. \$190,000**

Review the regulations on accrual reporting at:

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20 CFR Part 667.300

29 CFR Part 95.52 - Non-profits and other organizations

29 CFR Part 97.41 - States and other governments

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