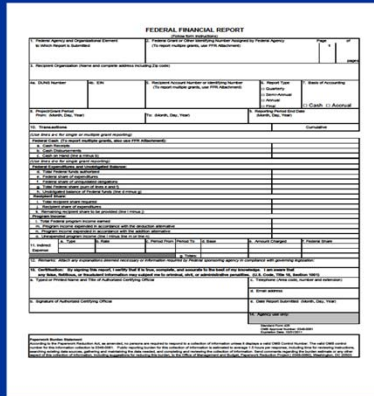


# 1. Quarterly Federal Financial Report (SF-425)



The image shows a thumbnail of a Federal Financial Report (SF-425) form. The form is titled "FEDERAL FINANCIAL REPORT" and includes various sections for reporting financial data. Key sections include: 1. Reporting Organization Information, 2. Reporting Period, 3. Reporting Period Summary, 4. Financial Statement, 5. Financial Statement Details, 6. Financial Statement Summary, 7. Financial Statement Notes, 8. Financial Statement Attachments, 9. Financial Statement Signatures, and 10. Financial Statement Comments. The form is a complex document with many fields and tables.

- First, let's understand the Federal Financial Report, or SF-425, which is a cumulative report that captures the financial status of an agreement at a specific point in time.



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## Federal Financial Report - Purpose

- Ensure funds are expended in line with the project's implementation budget
- Reconciled with USAID records to ensure accuracy in financial reporting and oversight
- Demonstrates the organization's understanding of their financial management responsibilities



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- The federal financial report, coupled with your budget, helps determine whether the expenditures are aligned with the implementation of the project. Submitted on a quarterly basis, the SF-425 provides an opportunity to re-assess assumptions made earlier in the budgeting and planning process.
- USAID staff use information from the SF-425 to reconcile its records to ensure accuracy in financial reporting and oversight. Analysis of this information permits both USAID and the organization to identify how quickly funds are being used (known as the burn rate) and how much money remains for future use (known as the pipeline).
- From the partner side, accurately completing the SF-425 demonstrates an organization's understanding of their financial management responsibilities. A firm understanding and execution of financial management responsibilities is necessary for a successful activity.



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## Federal Financial Report – Format of SF-425

- Form available from:  
[https://www.whitehouse.gov/omb/grants\\_forms](https://www.whitehouse.gov/omb/grants_forms)
- Forms shows:
  1. How much money is drawn down against the award
  2. What the money was used for
  3. What the balance of unused money is at the end of the reporting period
- Supporting documents should be available if requested.
- Remember, separate SF-425s must be used for each USAID award.
- [USAID SF-425 Federal Financial Report Process Guide](#)

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- The SF-425 is available from the link shown here.
- A completed form shows:
  1. how much money has been drawn down against the award,
  2. what the money was used for, and
  3. what the balance of unused money is at the end of the reporting period.
- Supporting documents should be available if requested and sufficient to confirm the allocation of funds to the agreement's budget line items.
- Remember, a separate SF-425 must be used for each USAID award. If an organization has two USAID awards, they will submit two SF-425s. In the next slides, we will go step-by-step through completing a Federal Financial Report.
- The following slides will explain how to complete each section of the SF-425. You also can access an additional resource – the USAID SF-425 Federal Financial Report Process Guide – through this link.

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## Top Portion of the SF-425

**FEDERAL FINANCIAL REPORT**  
(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)		Page 1	of 35
3. Recipient Organization (Name and complete address including Zip code)					
4a. DUNS #	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)		7. Basis of Accounting <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final <input type="checkbox"/> Cash <input type="checkbox"/> Accrual	
6. Project/Grant Period From: (Month, Day, Year) To: (Month, Day, Year)			9. Reporting Period End Date (Month, Day, Year)		


**Callouts:**

- 1. USAID Mission or Bureau
- 2. Agreement #
- 4a. DUNS #
- 4b. Only applicable to U.S. Organizations
- 5. Recipient Account Number (Blank)
- 7. Accounting Basis
- 8. Agreement Start/End Dates
- 9. Four Options:
  - December 31
  - March 31
  - June 30
  - September 30

- The top portion of the Federal Financial Report, or SF-425, requires you to enter basic information about your organization and award.
- In Box 1, enter USAID followed by the name of the Mission or Bureau from which you received the award. E.g. USAID Southern Africa. This information also is available in the award document.
- In Box 2, enter the USAID-assigned award number found on the first page of your award.
- Enter your organization’s address in Box 3.
- Box 4(a) asks for the organization’s Data Universal Numbering System, or DUNS, number. Every organization that receives an award from USAID must have a DUNS number. For more information about how to obtain a DUNS number or to make updates to your information, see our e-module on DUNS.
- Box 4(b) is the Employer Identification Number (EIN) and only applies to U.S. organizations.
- Box 5 is for the “Recipient Account Number or Identifying Number.” You may leave this blank, as it is not required by USAID but simply provides space to accommodate organization-specific tracking. Please do not enter bank account information here.
- Box 6 is for the frequency of report you are submitting. This will be specified in the agreement. Most of the time you will check quarterly. The last report for the

agreement (not individual projects/tasks) should be marked Final and is required within 90 days of the agreement expiration.

- Box 7 identifies the accounting basis for your organization. Check with your accountant and check either cash or accrual.
- Box 8 indicates your award's start and end date.
- And finally, Box 9, is for the end date of the reporting period. Since the SF-425 is typically due quarterly, this date is likely December 31<sup>st</sup>, March 31<sup>st</sup>, June 30<sup>th</sup>, or September 30<sup>th</sup>. However, for the last report of the award, or the "final" report, the end date will be the actual end date of the award.
- Much of this information in the top portion will remain the same for each quarterly SF-425 that you submit.



## Section 10(a-c) of SF-425: Federal Cash

10. Transactions
<i>(Use lines a-c for single or multiple grant reporting)</i>
<b>Federal Cash (To report multiple grants, also use FFR Attachment):</b>
a. Cash Receipts
b. Cash Disbursements
c. Cash on Hand (line a minus b)

10a. Total cash received from USAID

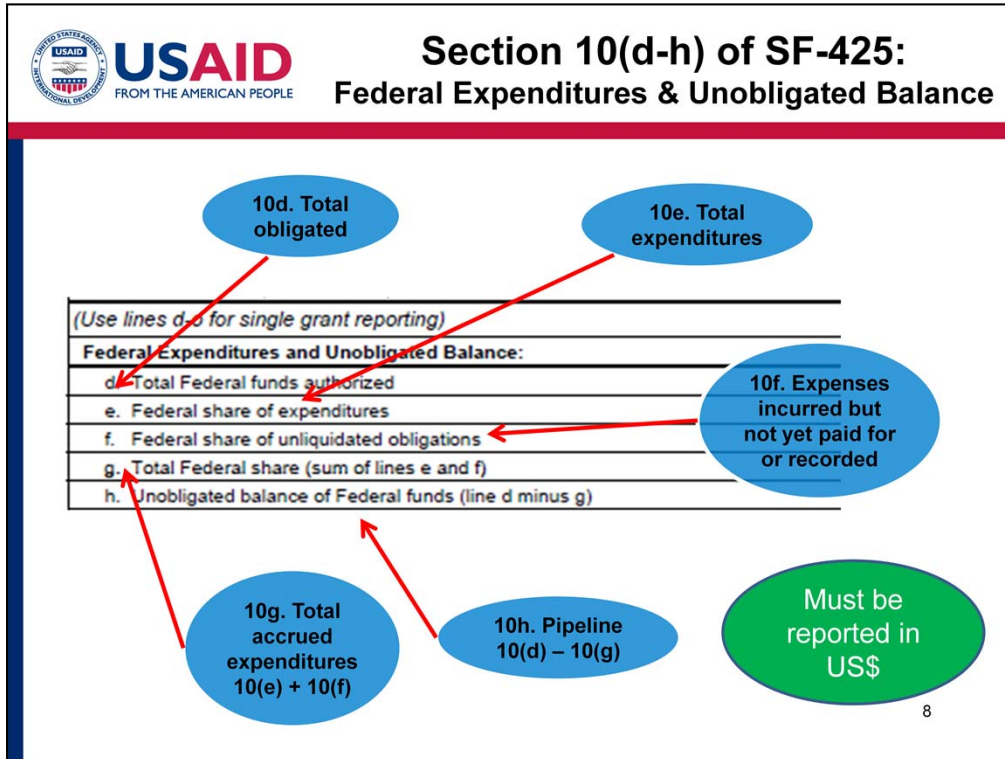
10b. Total cash expended – actual expenses

10c. Enter the amount of line 10(a) minus line 10(b)

Use currency indicated in the award

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- Let's continue on to Section 10 of the SF-425 which we'll discuss over the next three slides. This section details your award's transactions.
- The first section, A through C is used to track the federal cash received from the award.
- Box 10(a), cash receipts, is the cumulative amount of cash received from this USAID award either through advances or reimbursements through the end date of the reporting period specified in line 9.
- 10(b), cash disbursements, is the total cash the organization has used in the implementation of the project, including cash advances and payments made to sub-recipients and contractors.
- 10(c) is a simple mathematical calculation to determine the organization's cash on hand for this award. Simply subtract 10(b) from 10(a).
- Please note some agreements are not denominated in U.S. dollars. In this case, 10(a) through 10(c) should be in the currency indicated in the award documents.



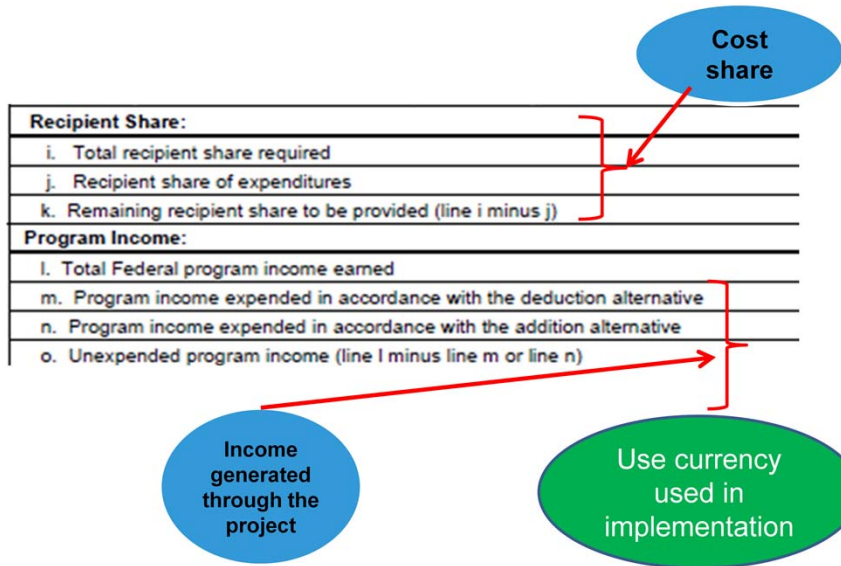
- Continuing with section 10, we'll now look at your award's federal expenditures and unobligated balance.
- Line 10(d) is for the total amount of USAID funds obligated to the award. This amount is cumulative and should include the original obligation plus all additional modifications (if any). This should not be confused for the Total Estimated Cost.
- 10(e) is for the total funds expended. It should include any disbursements or expenses directly billed to and paid by USAID. It will typically be equal to the cash disbursements reported in 10(b).
- 10(f) represents unliquidated obligations, or expenses incurred but not yet paid for or recorded, otherwise known as accruals. This contains all outstanding amounts owed to contractors, sub-recipients, or vendors but not yet invoiced to USAID.
- 10(g) is the total accrued expenditures, which is calculated by adding the values in line 10(e) and 10(f).
- 10(h) calculates the pipeline, which identifies all obligated funds remaining for future use. It is calculated by subtracting 10(g) from 10(d).
- Unlike lines 10(a) through 10(c), the currency for lines 10(d) through 10(h) must be reported in U.S. dollars regardless of the currency indicated in the

award documents.





## Section 10(i-o) of SF-425: Recipient Share and Program Income



- Lines 10(i) through 10(k) – “Recipient Share” represents the awardee organization’s cost share. This section is only completed if cost sharing is required by the award. Otherwise, these lines should be marked “N” slash “A” for not applicable.
- Lines 10(l) through 10(o) – “Program Income” reports the cumulative income generated by the project as a result of work performed under the award. If your award allows for program income, please refer to the detailed instructions on the OMB Line Item document included under the resources tab. If your award does not allow for program income or no income has been generated, these lines should be marked “N/A”.
- Note that lines 10(i) through 10(o) must be denominated in the currency your organization uses in project implementation.

**Bottom Portion of SF-425**

11a. Provisional, Predetermined, Final, or Fixed

11b. Indirect cost rate (%) in effect during the reporting period

11d. Total amount against which the rate is applied

11e. Amount of indirect costs charged during the time period specified 11(b) x 11(d)

11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
						g. Totals:	

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:

13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)

a. Typed or Printed Name and Title of Authorized Certifying Official

b. Signature of Authorized Certifying Official

c. Telephone (Area code, number and extension)

d. Email address

e. Date Report Submitted (Month, Day, Year)

14. Agency use only:

Standard Form 425  
OMB Approval Number: 0348-0061  
Expiration Date: 10/31/2011

12. Supplemental narrative or details

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- Section 11 is completed only if charging an indirect cost rate is required by the award. Otherwise, these lines should be marked “N/A”. Note that some contractors have multiple rates. You should use the one applicable to the specific award for which you’re reporting.
- If charging an indirect cost rate is required, the type of rate must be identified in 11(a) such as “Provisional”, “Predetermined”, “Final” or “Fixed.”
- 11(b) is the indirect cost rate in effect during the reporting period.
- 11(c) is the beginning and ending dates for the rate.
- 11(d) is the base amount against which the rate is applied. For example, if the award provides an indirect cost rate and was negotiated using salaries and wages, then application of the rate must be applied to a base that contains only salaries and wages.
- Finally, in 11(e), multiply 11(b) x 11(d) to calculate the amount of indirect costs charged during the time period specified.
- The Federal Share in 11(f) will equal the amount in 11(e), unless you are charging the government less than the indirect costs incurred.
- Line 12 provides an opportunity to include explanations or narrative important to the overall report. Examples may include an excess of cash on hand, pipeline anomalies, changes in the indirect cost rate, or clarification on prior report adjustments or corrections.

- Once you have finished, double-check to make sure all calculations are correct. Fill in the information of the authorized certifying official in Section 13, sign, scan, and send the form to the person indicated in your award, copying your Contracting or Agreement Officer Representative (CAOR).