



# **The Council and DSA Partnership**

Enhancing Communication to Ensure Fiscal Accountability

July 10, 2018

# Learning objectives

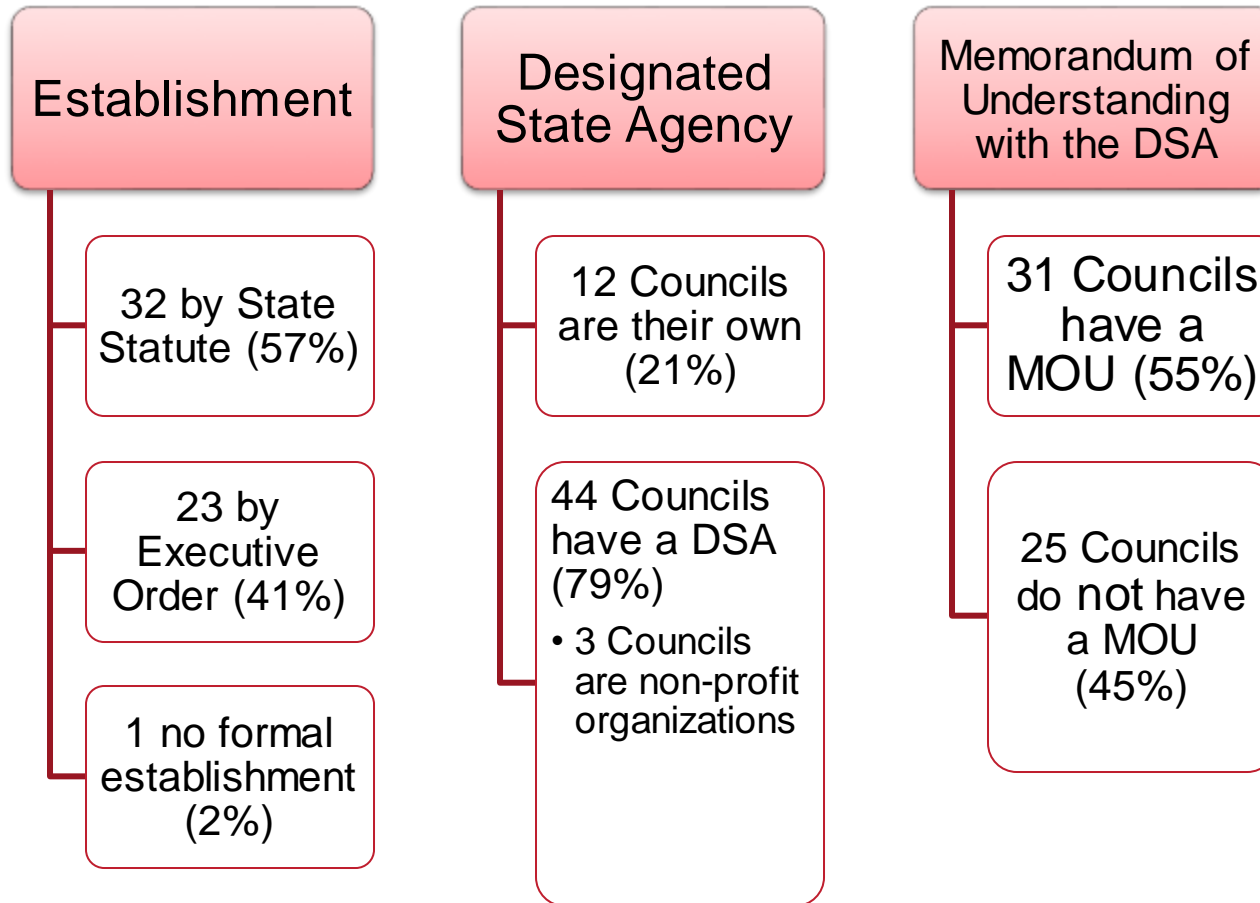
Recognize roles and responsibilities of the DSA and Council through partnership and communication;

Understand the purpose, function, and development of a Memorandum of Understanding;

Understand the Federal Financial Reports required;

Understand the importance of and tips to manage obligations.

# Councils and their structures – At-a-glance



# The Partnership

Partnership defined:  
Arrangement where  
parties agree to  
cooperate to advance  
mutual interests.



We recognize  
expertise on  
both sides

- DSA – Fiscal
- Council – Fiscal  
and Programmatic

# DSA Fiscal Responsibilities

Receive	Account	Disburse	Provide
Receive funds	Account for funds	Disburse Funds	Provide fiscal controls and fund accounting procedures as necessary <ul style="list-style-type: none"><li>• Proper disbursement</li><li>• Accounting for funds</li></ul>

# DSA Records, Access, and Financial Reports

Keep and provide access to records

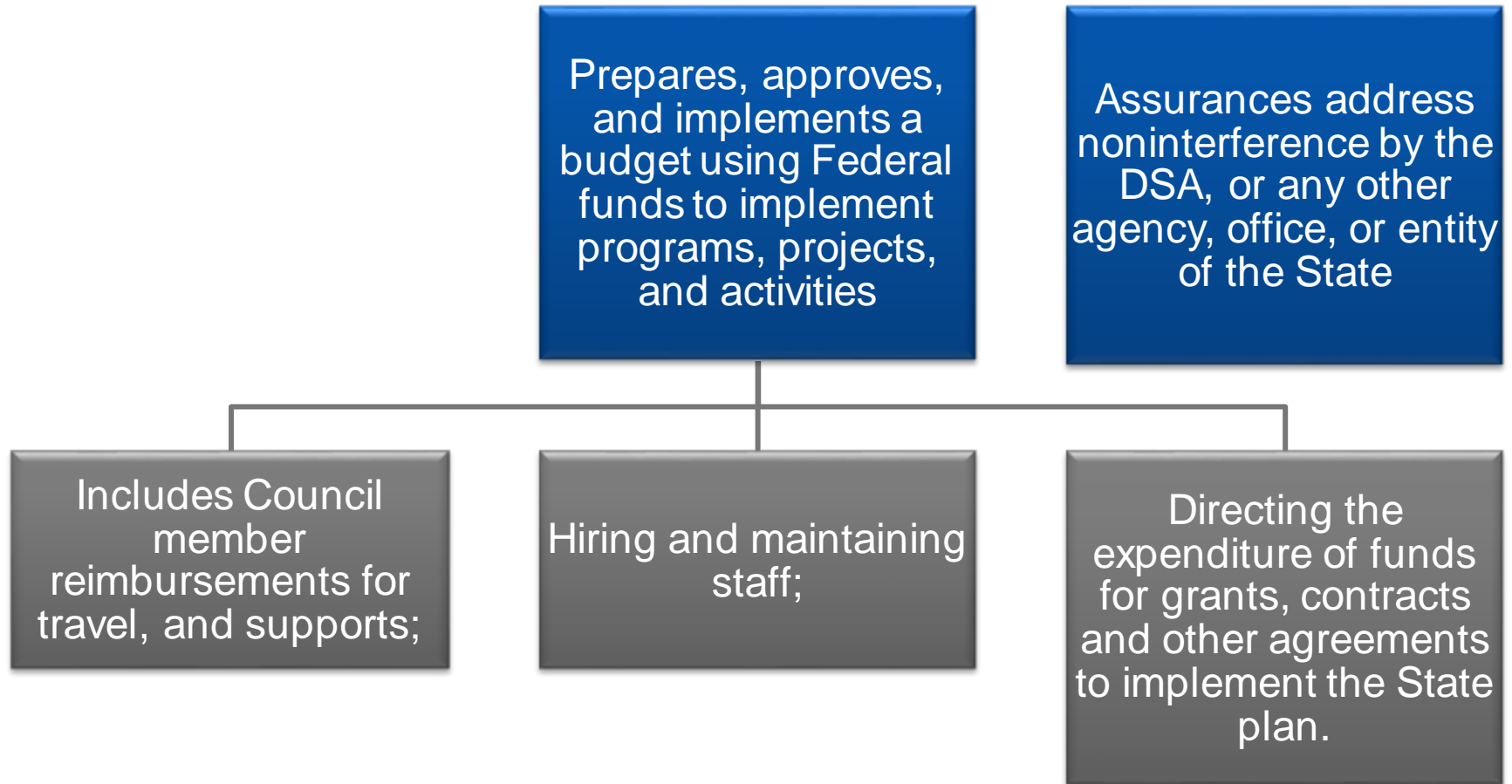
Provide timely financial reports regarding the status of:

- Expenditures
- Obligations
- Liquidations
- Use of federal and non-federal shares

# DSA Reimbursement of expenses

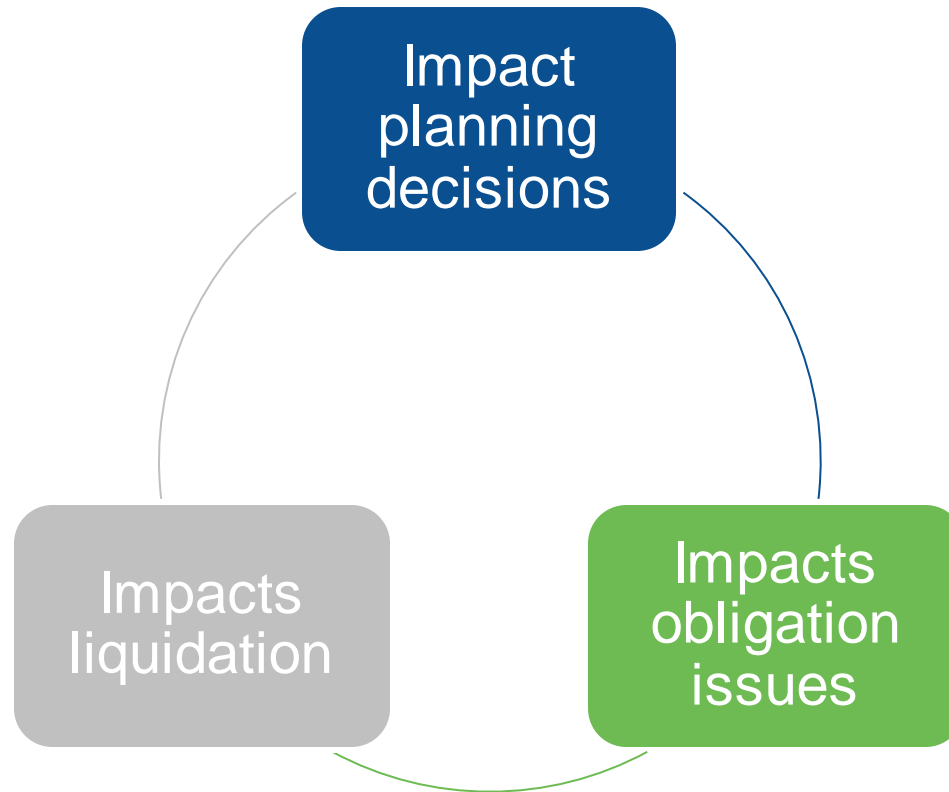
- Statutorily capped
  - 5% of annual federal award or \$50,000 whichever is less
  - To reimburse ½ of expenses found to be necessary to support the Council
- Expensed in the appropriate federal fiscal year
- If the DSA has a negotiated indirect cost rate, the difference between the 5% or \$50,000 can be used to satisfy match requirements
- This expense will be part of the Council's administrative budget.

# The Council Responsibilities





# Financial reports impact decisions



# Communication between DSA and Council

Communicating financial status is **KEY** to effective, efficient operations


Two basic types of communication:

- Formal
  - In writing
  - Takes time
    - Memorandum of Understanding
- Informal
  - Rely on spoken agreements
  - Rely on past processes and methods



# MOU – What does the DD Act say?

## DD Act Language

- Section 125 (d)(3)(G) MEMORANDUM OF UNDERSTANDING – On the request of the Council, the designated State agency shall enter into a memorandum of understanding with the Council delineating the roles and responsibilities of the designated State agency.
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# Memorandum of Understanding (MOU)

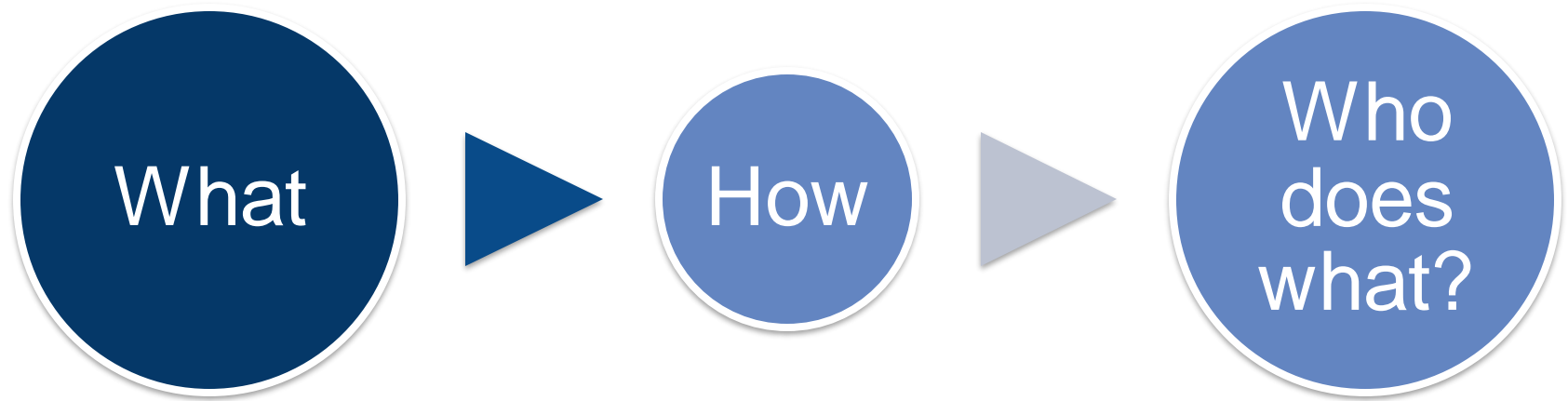
- The purpose of a memorandum of understanding is to formally establish a working relationship between a Council and a DSA through clear and mutually agreed upon assignments of authority and responsibilities.

TIP - Use the DD Act as the foundation for development.  
Refer to the DSA Responsibilities section


RESOURCE: ITACC TA Brief



# The Basic considerations for a MOU agreement



# Fiscal items for consideration

- Budget Development
    - Council's role and authority
    - How Council budget is reflected in DSA budget
  - Fiscal administration
    - Policies and procedures references
    - Payments
    - Subrecipient agreement processing
    - Council as decision maker
  - Financial Reports
    - Monthly expense status
    - Quarterly Federal Cash Transaction Reports
    - Annual SF-425 reports
    - Access to financial systems
    - Council to review prior to submission
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# Considerations continued

- Communication
  - Policies, procedures, regulations
  - Discussion when changes occur
  - Regularly scheduled “check-ins”
  - Assignment of DSA staff person or liaison




# Alabama MOU – highlighted items

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The DSA shall designate a liaison who will act as contact for the Council's Executive Director to resolve any problems, questions, or disputes regarding fiscal, purchasing, contracting and personnel matters.

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The DSA will fully communicate all relevant fiscal, purchasing, contracting and personnel policies, procedures, regulations and other requirements to the Chair of the Council as well as to the Council's Executive Director by (a) providing written documentation with updates and (b) discussing interpretation and changes.






# Colorado MOU – highlighted items

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The DSA will provide the Council fiscal officer access to CORE to control and report on the Council's financial status.

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The DSA will obtain prior verbal approval from the Council ED or his/her designee is a department charges a bill against a grant budget line account that differs from the account designated by the Council or modifies the amount to be charged



# FEDERAL FINANCIAL REPORTS



# The Annual SF-425

- This report provides a status of each grant award;
  - Communication is necessary between the Council and the DSA to ensure accurate 425's are being submitted.
  - Findings from most recent submission
    - Accuracy of reports
    - Match not submitted
    - If match is submitted, documentation of how match was derived is missing
    - No reports submitted
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# Federal Cash Reporting

Due within 30 days of the end of each quarter

Reconciliation of disbursements


PMS reviews the reports quarterly

**IMPORTANT!** The Council should seek out open communication with the DSA about information submitted on the Federal Cash Reports

# MANAGING OBLIGATIONS



# Manage obligations proactively

- 2 year obligation and project period
  - Prior to the start of a federal fiscal year
    - 1) Establish project period dates in all agreements
    - 2) Include an expectation that the work will be completed
  - During the project period
    - 1) Monitor the project schedule to ensure the project is progressing appropriately
    - 2) Promote regular billing for a project to expend the obligation
    - 3) Periodically review unexpended balances to evaluate excess and unneeded funds
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# Managing continued

Keep an eye on all available resources

- Develop processes to track availability of funds
- Compare with federal financial reports

Determine if programmatic adjustments need to be made

- Assess available funding with current and planned projects, activities, and programs supported by the 5-Year State plan
- Determine next steps – State plan amendments, updates

Managing the funds

- Determine what the Council needs to do

Thank you