



ACCOUNTING POLICY AND PROCEDURES (APP) MANUAL

TOPIC: Section 9 – Accounting System Processing 2.1	EFFECTIVE DATE: 06/27/1983
TITLE: Project Codes for Federal Grants	REVISION DATE: 05/17/2016
AUTHORIZED BY: Deputy Director, Bureau of Fiscal Services	

BACKGROUND

Project codes are used to segregate costs for a specific period of time or purpose. All project codes must be established by the Bureau of Fiscal Services (BFS). Project numbers are established by the BFS accountants in conjunction with program divisions. The following procedures should be followed to establish a project.

PROCEDURES

Procedure for Federally Funded Grant or Contract

A. Initial Grant Application for Projects or Programs

Federal grants/contracts are received through the process of applications submitted by department organizations. The organizations must follow the Department Grant Application Process. [The division grants coordinator or Office of Policy Initiatives and Budget (OPIB) grant coordinator can provide technical assistance.] Grants must be processed through the division grants coordinator, who will facilitate division, departmental, and Department of Administration (DOA) approval of the grant application.

DOA will review all grant applications. Only DOA and the Department Secretary can commit the Department to apply for funding.

Project numbers for an initial grant application will be assigned **only** after a grant award has been received.

A copy of the signed grant award will be forwarded to BFS by the OPIB grant coordinator.

After the project number is assigned by BFS, the division fiscal liaison/institution business manager will be notified of the project number setup.

B. Continuing Projects or Programs

A continuing project or program may have provisions in the existing grant that indicates subsequent years of funding are available. The division must apply for each subsequent year of funding, following the same procedure as in the first paragraph under A. above.

If the division/institution has assurances that they will receive funding for the subsequent year, a new project number may be assigned prior to the receipt of a grant award through mutual agreement of the division fiscal liaison/institution business manager and BFS lead accountant. An example of appropriate assurance would be a memo (or copy of document received) submitted to BFS indicating the federal grant project officer was contacted and that per telephone conversation, fax, or email, the grant award is forthcoming. This correspondence would also indicate the date the official document is anticipated. If for

some reason the continuing grant is not funded, the division/institution is responsible for all costs incurred by the unfunded project.

If funding terminates or there is anticipation the funding will not be renewed, the following procedures are required:

1. Division personnel and Bureau of Human Resources (BHR) must be notified if staff are funded by the affected funding source.
2. Proper procedures must be implemented to close out contracts and purchase orders; billing numbers and user codes must be inactivated. This will enable a final report of expenditures to be reported timely.

C. Entitlement Programs/Block Grants

Entitlement Programs/Block Grants include programs such as:

- Medical Assistance
- Substance Abuse Prevention and Treatment Block Grant
- Supplemental Nutrition Assistance Program

If the federal government requires a state plan or application, the plan or application must be processed according to department grant application procedures.

The BFS project or lead accountant will set up the new project at the appropriate time each state fiscal year or federal fiscal year.

Procedures for All Other Projects

All non-federal funds received, such as a foundation grant, require a grant application be approved by the Department of Health Services and DOA. A project number will be established only after receipt of approvals and a notice of the funds granted to the department.

Organizations that wish to segregate funds for non-grant purposes should contact their respective BFS project or lead accountant.

CONTACTS

[BFS Lead Accountants](#)