The Financial Reconciliation process made easy

1. Monthly best practices; before the notification of monitoring!

Stay audit-ready and ensure compliance:

- **Review** your agency's documented policies and procedures regularly.
- **Ensure** the program director understands cost categories and actively manages the grant budget.
- **Hold** monthly meetings between program and finance teams to review grant expenditures.
- **Reconcile** general ledger (GL) expenditures with reimbursement requests cost categories (RPRs).
- **Maintain documentation** and keep all receipts and source documents with submitted RPRs.
- **Label clearly,** on source documents indicating which expenditures are charged to the DEED grant.
- **Verify alignment** by comparing WF1 support services report with cumulative GL totals and RPR/FSR cost category totals (Column D).
- **Match amounts exactly;** RPR/FSR amounts must match actual expenditures and the GL to the penny.

2. Notification of Monitoring Visit

The monitoring notice will include a list of fiscal materials to send to your monitor. These materials correspond to an RPR selected by the monitor. The goal is to reconcile the expenditures from that month, the cumulative expenditures, and provide source/back up documentation for selected transactions.

Below is an excerpt of a Notification of Intent to Monitor and correlates to the RPR example on page 2:

- Your written Admin Costs allocation method.
- YTD General Ledger for P2P On-Ramp grant 4SAMPLE7800 from **02/20/2024**, through the **most recent month**.
- Detailed General Ledger for the selected month, including detail of expenditures and totals by cost category, and totals matching Columns C and D (see table below).
- Color coding or otherwise identified costs in the GL and detailed GL associated with each cost category to align with the selected RPR. If any of the category amounts corresponds to salaries, please provide names of staff, and their titles, and the method of allocation.
- Support service reimbursements require source documents such as receipts, disbursement logs and participant receipt signatures for gift/gas cards.

Month RPR Cost Category	Month RPR Column C	Month RPR Column D
Administrative Costs	$112.00	$824.50
Direct Services	$1,029.64	$10,029.89
Direct Services-WR-GED-ABE	$200.13	$4,200.38
Support Services	$500.00	$7,502.65
Total	$1,841.77	$22,557.42

3. Send the documentation for the selected RPR

1. Identify Column C and Column D on the selected RPR.
2. Assign a color to each cost category and totals.
3. Review your detailed general ledger for the selected month.

4. Identify and color-code the expenditures, or journal entries, for each cost category.
5. Include the reconciliation work you have done to that each category of expenditures add up to the amount charged on the RPR.
6. Explain any variances.
7. Repeat steps 3-6 using the cumulative general ledger and Column D on the RPR.

REIMBURSEMENT PAYMENT REQUEST

Submit completed form via email to deed.fsr@state.mn.us on or before the 20th of each mont

EMPLOYMENT AND ECONOMIC DEVELOPMENT

SECTION 1:

VENDOR ID + REMIT TO LOCATION CODE (SWIFT):	GRANT NAME:	
0000193992.002	SFY24-25 P2P - On-Ramp to Career Pathways	
VENDOR NAME:	GRANT NUMBER:	SWIFT CONTRACT ID
Your Local Agency	4SAMPLE7800	243984
REMIT TO ADDRESS:	GRANT PERIOD FROM:	GRANT PERIOD TO:
400 E Street	2/20/2024	6/30/2025
PO Box 56	REIMBURSEMENT PERIOD FROM:	REIMBURSEMENT PERIOD TO:
Not-a-Town, MN 55001-0056	10/1/2024	10/31/2024

FORM PREPARED BY: Name1	INVOICE NUMBER:	GRANT NUMBER:	FINAL:
SIGNATURE:		4SAMPLE7800	YES [ ] NO [x]
EMAIL:	DEED PROGRAM CONTACT NAME/PHONE:	DEED PROGRAM CONTACT EMAIL:	
	Coordinator Name/651-259.1400		

SECTION 2: * DEED PROGRAM USE ONLY

SWIFT PO ID	PO LINE	AMOUNT	FUND	FIN DEPT ID	APPROP ID	ACCOUNT	AGENCY COST	PROJECT ID
3-547886	1	$ 100,000.00	1000	B2233APS	B223584	441603	55036	B22P2PCGPGF
TOTAL		$ 100,000.00						

SECTION 3:

ACTIVITY ID	COST CATEGORY DESCRIPTION (PER APPROVED BUDGET)	A. APPROVED BUDGET	B. PREVIOUS REIMB. REQUEST	C. REIMB. REQUESTED THIS PERIOD	D. (B + C = D) TOTAL REIMB.	E. (A - D = E) AVAILABLE BALANCE	F. UNSPENT OBLIGATIONS
833	Administrative Costs	$ 10,000.00	$ 712.50	$ 112.00	$ 824.50	$ 9,175.50	$ -
885	Direct Services	$ 50,000.00	$ 9,000.25	$ 1,029.64	$ 10,029.89	$ 39,970.11	$ -
886	Direct Customer Training	$ 20,000.00	$ 4,000.25	$ 200.13	$ 4,200.38	$ 15,799.62	$ -
828	Support Services	$ 20,000.00	$ 7,002.65	$ 500.00	$ 7,502.65	$ 12,497.35	$ -
TOTAL = FIRST YEAR FUNDING		$ 100,000.00	$ 20,715.65	$ 1,841.77	$ 22,557.42	$ 77,442.58	$ -

4. Source documents examples

Administrative Costs

- Cost allocation methods/charts for staff, space, and technology.
- Chart of Accounts for the agency.

Time Sheets and paystubs

- This can apply to staff and/or participants (as in paid work experience for the participant).

Support Services

- Invoices for the purchase or support service cards or direct payments made on behalf of the participants (ex: rent assistance paid to rental place).
- Form with participant signature and date of receipt of support service gift card (Ex: Gas Card). Form should also show the gift card identification information such as the gift card number and amount.

Proof of Payment

- Payment Receipt - especially for cash payment
- Confirmation of online payment
- Bank statement showing payment
- Front and back of a cancelled check.

5. Source documents for expended funds

Activity	Where documentation lives	What funds are applied?	Calculation – SHOW your formulas.	How verified in source documentation?	Notes:
Internet or technology fees for staff	Accounting/Finance	Administrative Costs	**Total month's cost**: $1500.00/month. **Allocation:** The agency is funded by many revenue sources. This grant accounts for 3%. **Calculation**: $1500 x .03 = $45.00.	• Bill from the provider (i.e.: comcast) or employee expense report if reimbursement paid. • Note: the itemized bill will include a breakdown of the number of devices or units of service and cost per unit. • Bank statement to show the payment was made and when. • Allocation method.	This type of admin expense should be listed on your cost allocation chart – showing how the costs associated with one project related to the agency. This grant cannot pay the full amount of a shared expense as that would not be reasonable or justified.
Application, Enrollment, Case Management or program navigation services.	WF1, EDS, IEP and Accounting/Finance	Direct Services	**Total month's cost**: Staff salary is $2,500. **Allocation:** Career Navigator works 20% of their time on this grant. **Calculation:** $2,500 x 20% = $500.00 (plus fringe benefits).	• Cost allocation chart for staff time divided across duties • Staff timesheets • General Ledger entries. • Case notes in WF1 showing engagement with the participant.	Secure a signature and date on the IEP. This is where the "case" starts. Do not incur expenses on a participant such as training or support services until you have an IEP in place.
Participant Training	WF1, EDS, IEP, training plan, training information, ETPL and LMI. Accounting/Finance	Direct Customer Training	**Total month's cost**: CDL Class $4,500.00. **Allocation:** 100%. **Calculation:** none	• Training authorization or invoice • Registration for training/class • Proof of payment. • An open activity in WF1.	Include the participant's name on invoices as these funds follow each participant when an approved training course occurs.
Participant Support Service for Gas Card.	WF1, EDS, and Accounting/Finance	Support Services	**Total month's support**: Total $100.00 **Allocation:** 100%. **Calculation:** 4 weeks * $25.00 = $100	• Purchase date and amount (cost not value) • Signed and dated disbursement to the participant • Case note with reasoning • EDS attached to support service tab in WF1. • GL line item with participant	Secure a signature of receipt of good (ex: gas cards) as these funds follow each participant and support service rendered.

6. Apply Allocation percentages consistently

Allocations may be based on FTE positions, or space used by programs. If employees' time crosses different programs and grants, a time study would be appropriate. The allocation method would be to consistently apply the percentage of time spent to all costs in that grant.

This is one example. Using the allocation example in the fiscal slides:

INVOICE-Lease Costs
123 Mockingbird Lane
Yourtown, MN

Square Footage	931
Cost/Sq Ft	$57.85
Total	**$53,858**

ALLOCATION METHOD #1-FTE

	FTE	Allocated Cost
Grant A	7.5	$ 21,260
Grant B	6.25	$ 17,717
Grant C	5.25	$ 14,882
	19	**$ 53,858**

Example of allocating rent expenditure
(7.5 / 19) * 100 = 39.4%

Rent	**FTE**	**% of cost**	**Allocated Cost**
Grant A	7.5	39%	$21,259.74
Grant B	6.25	33%	$17,716.45
Grant C	5.25	28%	$14,881.82
	19	100%	$53,858.00

The same allocation percentage can be applied to other expenditures.
(7.5 / 19) * 100 = 39.4%

Internet	**FTE**	**% of cost**	**Allocated Cost**
Grant A	7.5	39%	$38.97
Grant B	6.25	33%	$32.47
Grant C	5.25	28%	$27.28
	19	100%	$98.72