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# STARS USER MANUAL

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## SUBGRANTEE ACCOUNTING AND BUDGETING

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### INTRODUCTION

Some State agencies receive federal grants that are then granted or passed through to other government or non-profit entities. The pass-through grants are referred to as subgrants and the recipients as subgrantees.

General federal grant information and publications can be found on the [Federal Section](#) of the [Fiscal Policy Advisory Committee documentation](#).

#### Definitions:

- Grantor – The original granting entity, usually a Federal agency.
- Grantee – The State agency receiving the grant and will act as the administrator or manager of the grant program.
- Subgrantee – The government or other legal entity to which a subgrant is awarded.

The Grantee can use the STARS Project file to track the awarding of and the payment of the subgrants. Use the Project file to record the State expenditure to the subgrantee. The project file does not have the capability to record the subgrantee match.

In general, the Grantee must report eligible costs and matches for each approved subgrant and the grant in total to the Grantor. The specific reporting requirements are determined by the actual grant award and any related OMB circular or guidance.

There are two types of subgrantees:

- Reimbursable – Subgrantees are reimbursed after the expenditure is made and they submit an invoice identifying the expenditures.
- Advance payment – Subgrantees are paid in advance and report the expenditures later.

Before paying a subgrantee award in advance, the subgrantee should demonstrate the willingness and ability to maintain procedures to minimize the time between the advance and the actual expending of the funds. Otherwise, the awards should be on a reimbursement basis. The Project file has the capability to record and track both scenarios.

## SUBGRANTEE PROCESS

Subgrants are tracked by assigning a unique Project and Project Phase in the Project Control Table. The Project table can be set to look-up a related Grant and Grant Phase. This helps to record financial activity against the Grant whenever you post subgrant activity.

1. After receiving a grant award, set up the Grant and Grant Phase on the STARS Grant file. Information on creating a Grant and Grant Phase can be found in the Classification Structure section of [STARS User Manual](#).
2. After the subgrants are awarded, set up a Project and Project Phase on the STARS Project file for each subgrant award. Add the Grant from Step 1 to the **Lookup Grant-No** and **Grant-Ph** fields of the Project file. The **Project-Type** field should be 6 and will require the following fields:
  - a. **Vendor** - Enter the nine-digit vendor number and two-digit suffix
  - b. **Vend-FYE-Mo** - Enter the two-digit month of the vendor's fiscal year end.
  - c. **CAT** - Enter the eight-character CFDA number of the grant.
  - d. **Budget-Ctl-Type** - Enter 1 for a fatal control which will prevent you from over expending the grant award or budget.

VERSION 3.1	STARS--PROJECT CONTROL TABLE MAINTENANCE/INQUIRY	SB27
FUNCTION: R (A=ADD, C=CHANGE, D=DELETE, N=NEXT, R=RECALL)		
AGCY: 999	PROJECT-NO: G12345	PROJECT-PHASE: 01
PRI: N		
VENDOR: 826000277 33	VEND-FYE-MO: 12	
DESCRIPTION: Ada County Pass-through	PROJECT-TYPE: 6	
START DATE:	END-DATE:	LOOKUP GRANT-NO: G12345
GRANT-PH: 00		
OBJ-POST-LEVEL: B	REV-POST-LEVEL: 4	BUDGET-CTL-TYPE: 1
CAT: ##.###		
PI: N		
PROJECT MANAGER	ORC:	

3. Use TC 420 to set up a subgrantee expendable budget in the amount of subgrant award. The subgrantee expendable budget can be increased (TC 420) or decreased (TC 420'R') as needed. This can be entered in STARS or in [Budgetary](#).
4. Use TC 455 to make a reimbursement payment to the subgrantee. The majority of these payments will be made using a Trustee and Benefit expenditure subobject. This can be done in STARS or Payment Services.
5. Use TC 445 to make an advance payment to the subgrantee. Use a Trustee and Benefit expenditure subobject for the majority of these types of payments. This can be done in STARS or Payment Services.
  - If an advance payment was previously paid with TC 445, use TC 450 to move an advance payment to cash expenditure in the Project file. The TC445 has already posted to appropriation and Grant expenditures. This can be done in STARS or in [Adjustments](#).

## SUBGRANTEE TRANSACTION CODES

<b>Type</b>	<b>TC</b>	<b>Description</b>
Billable Budget - Subgrantee	415	Seldom used. If needed, use to record a billing to a subgrantee.
Expendable Budget - Subgrantee	420	Record the subgrantee award amount.
Cash Receipt of Project Monies	439	Record the receipt of payment on the billing. If the receipt is a refund from the subgrantee, use revenue subobject 3636.
Advance to Subgrantee - Warrant	445	Record an advance to a subgrantee. The advances post to the advance bucket on the Project File and do not affect the expendable balance. The Grant, the appropriation and GL 4200 cash expenditures do show this as a Cash Expenditure.
Reclassify Subgrantee Advance to Subgrantee Expenditure	450	When the subgrantee reports their expenditures, reclassify the advance to expenditures. This will reduce Advances on the Project File, reduce the expendable balance and increase the expenditures.
Reimbursement to a Subgrantee - Warrant	455	Reimburse a subgrantee for expenditures made when no advance was made. The reimbursement posts to all of the files as if a TC 230 was processed for the payment.