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# STARS USER MANUAL

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## GRANT BUDGETING

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### INTRODUCTION

In this document, Grant budgeting includes budgeting for Grant, Project, and Subgrantee.

To control grant budgets, you must enter grant budgets into STARS. You must post these budgets at the level of the Object Level Posting indicator in the Grant Control Table. Be consistent with these levels.

The Grant Control Table contains indicators that define the level of control for Grant budgets. The two types of budgetary information provided for Grants are:

- Billable budgets – for control and reporting on the billing process.
- Expendable budgets – for control and reporting on expenditures and encumbrances charged to a Grant or Project.

The Budget-Control-Type indicator on the Grant control and Project Control Tables determines when expenditures may exceed the amount budgeted. You may select these budgetary control indicators on a Grant by individual Grant Phase. The Budget Control Type indicator determines the severity of the control: fatal, warning, or ignore.

If you are using fatal controls, and want to group your information at the subobject level, you must enter your budget at the subobject level. The same is true if you post it at a Summary Object or object level. The information is still available at the lower levels by using an IBIS report.

**TIP:** Consider setting up a Grant/Project lookup combination where one could be at the lowest reporting level and the other, with the budget, could be at the higher budgeting level.

The Grant File is the primary source for online inquiry and reporting for Grant related expenditures, revenues, and budgets.

#### **Using Budget Control Type indicators**

You should enter budgets at the highest level (i.e., Grant Phase level), unless there is a specific requirement for budgeting at a lower level. This is especially true when the Budget Control Type indicator is set at fatal (1). For instance, if the budget restricts expenditure transactions that exceed the expendable budget, then they will post to the Error File and billing transactions which exceed the billable budget will not be reported.

## RECORDING GRANT AND PROJECT TRANSACTIONS

In order to enter information into your STARS Grant and Project Files, the following tables should be set for file postings. STARS can only report out of the files, the level of transaction information that you enter into the files. However, you can get more detailed information in IBIS.

Grant File and Project File information comes from a variety of tables:

- Grant and Project Descriptor Tables
- Transaction Code Decision Table
- Grant and Project Control Tables
- Revenue and Expenditure Subobject Descriptor Tables

## GRANT AND PROJECT FILE POSTING BUCKETS (FIELDS)

STARS uses the Grant File (GP) and Project File (PJ) to control and report the activities associated with Grants and Projects. Data on the GP and PJ usually includes information based on the Grant/Project period and not on the state's fiscal year. Grants and Projects can cross fiscal periods for example. The GP/PJ can provide reporting of data across multiple state fiscal years. You should use the Grant and Project Files for subgrantee reporting, with more detail breakdown available in the Project file for each subgrantee. You can use a Grant for other types of information where you need a total or even as a detail breakdown of the Project file, and vice versa.

Below is an example of the Grant File (GP) screen S066 and the numbers of the financial buckets in relation to the TC Table (S028). You will also notice in the following table the normal balances of each financial bucket. The Project File (PJ) screen 80 is set up identical to this file.

Below is an example of the (GP). The shaded information indicates the normal balances ('+', '-') and the bucket number from the TC.

- **Billable Balance\*** is equal to Billable Budget less Amount Billed.
- **Expendable Balance\*\*** is equal to Expendable Budget, plus Units Budgeted, less Encumbrances, less Cash Expenditures, less Units Expended, less Program Income Expended.

**Grant File Record Inquiry**

VERSION 3.1	STARS--GRANT FILE RECORD INQUIRY	S066
AGENCY: 060 GRANT/PHASE: AG0201 01 PCA: FUND: 0050 FUND DET:		
EXP-OBJECT/DET: 5201		
REV OBJECT/DET:		
CM: X PM:	CP: PP: PY: PPY:	CUM: X ACTV:
EXP SOBJ/DET:	REV SOBJ/DET:	GRANT TYPE: 1 CAT:
CREATE DATE: 092601	CLOSE DATE:	FEDERAL ID:
BILLABLE BUDGET (- 01)	0.00	EXPENDABLE BUDGET (- 02) 3,705.00-
AMOUNT BILLED (+ 08)	0.00	UNITS BUDGETED (- 13) 0.00
BILLABLE BALANCE *	0.00	ENCUMBRANCES (+ 06) 0.00
RECEIPTS/COLLECTNS (- 12)	0.00	CASH EXPENDITURES (+ 05) 4,084.76
UNCOLLECTED BILLS (+ 11)	0.00	UNITS EXPENDED (+ 14) 0.00
PROG INC EARN (MEMO) (- 10)	0.00	PROG INC EXPEND (+ 03) 0.00
COST ALLOC IN (MEMO) (- 15)	0.00	EXPENDABLE BALANCE ** 872.00
COST ALLOC OUT (MEMO) (+ 16)	0.00	ACCRD EXPEND (MEMO) (+ 04) 0.00
PRE-ENCUMB (MEMO) (+ 07)	0.00	ADVANCES (MEMO) (+ 09) 0.00
LAST PROCESS DATE: 092601 INTERRUPT:		

See the Transaction Codes that Post to Grant and/or Projects report. This report can be run in IBIS under State of Idaho Public Folders > Statewide Reports > Accounting > Grant and Project Reporting.

**FEDERAL GRANT ELEMENTS AND TRANSACTION CODES**

Budget Type	TC	Usage	Federal Fd	Non-Fed Fd
Billable Budget	400	Total amount of the Federal portion of the grant award, including indirect cost. If your grant has program income, see the Program Income document to assist in determining the amount to enter.	Federal	na
Expendable Budget	405, 406	Amount agency can spend of federal monies on the grant. The amount of the grant less the indirect costs anticipated. Can be automatically increased by Program Income Earned using TC 1PB.	Federal percentage	State percentage
Units Budgeted	093	Indirect costs and In-Kind to be recovered. Amount of indirect costs (expenditure subobject 5979) and in-kind costs (misc subobject) identified in the grant award.	Federal indirect costs	State share of in-kind

**TYPES OF GRANT AMOUNT BILLED**

<b>Bill Type</b>	<b>TC</b>	<b>Usage</b>	<b>Federal Fd</b>	<b>Non-Fed Fd</b>
Amount Billed - Bill	120	Amount you have billed the Federal Government to-date for this grant award.	Federal	na
Amount Billed - Received	150	Amount you have received from the Federal Government that you have previously billed	Federal	na
Amount Billed - Non-Federal	130, 170	Regular interagency billing process for a non-federal grant billing.	na	State

**TYPES OF GRANT RECEIPTS**

<b>Rcpt Type</b>	<b>TC</b>	<b>Usage</b>	<b>Federal Fd</b>	<b>Non-Fed Fd</b>
Receipts /Collections	101, 440, 441, billed receipts	Receipts expected from the Federal agency. Federal portion does not include program income, or non-federal receipts such as donations, etc., which are accounted for under the State portion.	Federal draws received	State receipts except program income
Program Income Earned	1PI, 1PB	Receipts from program income earned resulting from activities created using grant funds. The 1PB increases the Expendable Budget where the 1PI does not. Do NOT use the 1PB if you have the Budget Control Type other than '0', unless you are setting the Object Post Level and the Revenue Post Level at '0'.	Federal percentage	State percentage
Non-Federal Receipts/ Collections	43M	Non-federal and non-program income receipts that increase the Expendable Budget. Do NOT use the 43M if you have the Budget Control Type other than '0', unless you are setting the Object Post Level and the Revenue Post Level at '0'.	na	State misc funds

**TYPES OF GRANT EXPENDITURES**

<u>Budget Type</u>	<u>TC</u>	<u>Usage</u>	<u>Federal Fd</u>	<u>Non-Fed Fd</u>
Cash Expenditures	miscellaneous expenditure payment TCs	Cash disbursements of federal funds for direct charges as well as cash advances and payments made to subrecipients and contractors.	Federal	State
Units Expended	460	Indirect costs charged to the award (expenditure subobject 5979) and in-kind expenditures (miscellaneous subobjects).	Federal percentage	State percentage does not include indirect costs
Program Income Expended	2Px transaction codes	Program Income Expended that has already been earned. Must spend program income before more federal cash draws.	Federal share	State share
Encumbrances	miscellaneous encumbrance payment TCs	Outstanding encumbrance amounts posted to the grant.	Federal fund encumbrance	State fund encumbrance

You may want to do the following indirect cost transactions at the same time you post a TC 460 for indirect cost expended. These do not affect the calculated balances on the Grant file. It affects cash on the General Ledger by posting as revenue GL 4100 in and out, and the Cash Control by posting as a 'transfers made'. According to the Division of Financial Management, if an agency's current process is to deposit indirect cost receipts directly into Fund 0125, they can continue to do so - they do not have to post the indirect costs into the federal fund.

**TYPES OF GRANT INDIRECT COST MOVE TO NON-FEDERAL FUNDS**

<u>Rcpt Type</u>	<u>TC</u>	<u>Usage</u>	<u>Federal Fd</u>	<u>Non-Fed Fd</u>
Indirect Costs Transfer Out	4I2	Move indirect costs received out of the federal fund by end of reporting periods and by State Fiscal year-end. Use Revenue Subobject 2055 - Indirect Costs - Federal.	Federal	na

<u>Rept Type</u>	<u>TC</u>	<u>Usage</u>	<u>Federal Fd</u>	<u>Non-Fed Fd</u>
Indirect Costs Transfer In	4I3	Post indirect cost received to the original fund involved in the indirect cost plan by end of reporting periods and by State Fiscal year-end. Use Revenue Subobject 2055 - Indirect Costs - Federal.	na	State indirect cost funds

Sometimes you are authorized by instructions from the Federal cognizant agency that you can apply the remaining Grant cash amounts to the next Grant.

**TYPES OF GRANT CASH MOVE TO NEXT GRANT YEAR**

<u>Rept Type</u>	<u>TC</u>	<u>Usage</u>	<u>Federal Fd</u>	<u>Non-Fed Fd</u>
Operating Transfer Out	452	After moving the indirect costs out of the fund, and with your Federal cognizant agency approval, move any excess cash to the next grant. Expenditure Subobject 9200.	Federal	na
Operating Transfer In	454	Post any excess cash moved from a prior year grant, if approved by your Federal cognizant agency. Revenue Subobject 9100.	Federal	na

**TYPES OF GRANT MEMO FIELDS THAT DO NOT AFFECT BALANCES**

<u>Rept Type</u>	<u>TC</u>	<u>Usage</u>	<u>Federal Fd</u>	<u>Non-Fed Fd</u>
Pre-Encumbrance	miscellaneous pre-encumbrance TCs	Encumbrances that have not been committed to a vendor. Only a request has been made for a purchase.	Federal	State
Accrued Expenditures	431 (12M & 15M recovery)	Expenditure accruals, if an agency wants to track them in STARS. Has to be manually removed if expended.	Federal	State
Advances	none yet		na	na

## **BILLABLE BUDGETS – GRANT REVENUES AND RECEIPTS**

This section describes the recording of revenue transactions and the controlling of revenue against billable budgets. You should enter Grant-related revenues and receipts transactions into STARS with the appropriate Grant Number/Phase, and use transaction codes that post to the Grant or Project Files. Recording revenues and receipts against Grants is optional for most Grants; however, recording this information improves the value of reports generated from the Grant File, including the IBIS reports.

Be aware if the transaction codes you use when entering transactions post to the Grant and/or Project files. For Grant billings, you should enter the billing amount into STARS using a TC 120 (Accts Receivable Other for federal billings) or a TC 130 (Interagency Bill for state billings) whenever invoices or claims are submitted to the grantor. If both the accounts receivable and the cash receipts are recorded against Grants, the accounts receivable balances will be fully accounted for in STARS.

In both of the following billing processes, you are able to see the amount not yet billed to the grantor as well as the revenues received.

Using these methods instead of the standard TCs 101, 439, 440, or 441 allows you to match the STARS Grant reporting to the federal grant award reporting, since other outside receipts/collections may be on the Grant File record.

The billing process uses the following Grant buckets:

- **Billable Budget** – The total amount billable. Revenue billable budget includes the amount of the grant award that is billable to the grantor.
- **Amount Billed** – The accumulative amount you have requested from the grantor (normally with a TC 120 or TC 130).
- **Billable Balance** – The difference between the Billable Budget (grant award) and the Amount Billed (billed to the grantor)
- **Uncollected Bills** – The amount of the total amount billed less receipts collected on those billings.
- **Receipts/Collections** – The amount received from the grantor. If using the correct intergovernment revenue subobjects, this would show the amount collected from the grantor. Should be kept separate from other revenue subobjects for non-grantor receipts.

You should take the following steps when using billable budgets.

**NORMAL METHOD USING RECEIVABLES FOR GRANT REVENUE BILLING PROCESS:**

Grant File and Project File:

BILLABLE BUDGET AMOUNT BILLED BILLABLE BALANCE RECEIPTS/COLLECTNS UNCOLLECTED BILLS	Difference between <b>Billable Budget</b> and <b>Amount Billed</b> is the <b>Billable Balance</b> .  <b>Uncollected Bills</b> should net to zero when all billed amounts are collected.
-------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

1. After receiving a grant award, set up a billable budget under intergovernmental revenues subobject codes.  
**TC 400** Billable budget - xxx.xx
2. Request part of the grant award and set up a receivable for the grantor. Use the same revenue subobject as Step 1.  
**TC 120 or 130** Amount billed + xx.xx  
 Uncollected bills + xx.xx
3. Receive part of monies from grantor.  
**TC 150 or 170** Uncollected bills - xx.xx  
 Receipts/collections - xx.xx
4. Continue Step 2 and 3 until full grant award monies have been received. Billable Balance should be zero.

**QUICK METHOD FOR GRANT REVENUE BILLING PROCESS (use when the request and receipt are within a day or two):**

1. After receiving a grant award, set up a billable budget under revenues.  
**TC 400** Billable budget - xxx.xx  
 (Manually calculate the difference between Billable Budget and Receipts/Collections under the intergovernment subobjects for the billable balance)
2. Request part of the grant award that is received within a day or two from grantor.  
**TC 101, 440, etc.** Receipts/collections - xx.xx  
 (Manually calculate the difference between Billable Budget and Receipts/Collections under the intergovernment subobjects for the billable balance)
3. Continue Step 2 until full grant award monies have been received.

**EXPENDABLE BUDGETS**

You can establish an expendable budget for a Grant/Project at varying levels of detail. These budgets can control expenditures and encumbrances charged to the Grant/Project or Phases. Using the **Budget-Ctl-Type** field, you have the option of having the transaction not post with a (1) fatal error and message, post with a (2) warning error and

message, or post without any message and (0) ignore the violation completely if the expenditure or encumbrance causes the Grant Expendable Budget to be overspent.

```

VERSION 3.1          STARS--GRANT CONTROL TABLE MAINTENANCE/INQUIRY          S029

FUNCTION: R (A=ADD, C=CHANGE, D=DELETE, N=NEXT, R=RECALL)
AGCY: 999 GRANT-NO: ENDBOI GRANT-PHASE: 00 FEDERAL ID:
DESCRIPTION: ENDOWMENT - BOISE
START-DATE:          END-DATE:          LOOKUP PROJ NO: ENDBOI PROJ-PH: 00
OBJ-POST-LEVEL: 0 REV-POST-LEVEL: 1 BUDGET-CTL-TYPE: 0 CAT:          PI: N
CASH-POST-LEVEL: 0 CASH-CTLTP: 0      GL-BY-GRANT: 2 INT: N
GRANT-MANAGER:
* * * * * BILLING INFO * * * * *
METHOD: 0 CYCLE: 0 MMOD: 1      2      3      4
  
```

**Budget-Ctl-Type** indicators: **0** – No budget control, **1** – Fatal control, do not process transaction if over budget amount **2** – Warning – amount over budget but lets the transaction process.

If you set this indicator to a “1” for fatal control and you do not enter a budget, STARS will consider the budget amount to be zero. This would cause expenditure transactions to err.

If you are entering both billable and expendable budgets, you must use the same fatal, warning, or no control for both budgets. However, the controls on your Project Table can be different than your controls on the Grant Table.

With a budget control type of ‘0’, cash expenditures will not error, even if the expendable budget is overspent. In the example below, if the budget control type is ‘1’ fatal, you could only process a transaction if it was \$11.49 or less. The **Expendable Balance** is a total of all of the amounts above it.

```

VERSION 3.1          STARS--GRANT FILE RECORD INQUIRY          S066

AGENCY: 999 GRANT/PHASE: ENDBOI 00 PCA:          FUND: 0481 FUND DET:
EXP-OBJECT/DET: 5000
REV OBJECT/DET:

CM: X PM:  CP:  PP:  PY:  PPY:          CUM: X ACTV:

EXP SOBJ/DET:      02 REV SOBJ/DET:          GRANT TYPE: 3 CAT:
CREATE DATE: 030007  CLOSE DATE:          FEDERAL ID:

BILLABLE BUDGET          0.00 EXPENDABLE BUDGET          489,516.00-
AMOUNT BILLED            0.00 UNITS BUDGETED            0.00
BILLABLE BALANCE        0.00 ENCUMBRANCES            0.00
RECEIPTS/COLLECTNS     0.00 CASH EXPENDITURES        489,504.51
UNCOLLECTED BILLS      0.00 UNITS EXPENDED            0.00
PROG INC EARN(MEMO)     0.00 PROG INC EXPEND          0.00
COST ALLOC IN(MEMO)     0.00 EXPENDABLE BALANCE        11.49-
COST ALLOC OUT(MEMO)    0.00 ACCRD EXPEND(MEMO)        0.00
PRE-ENCUMB(MEMO)       0.00 ADVANCES(MEMO)           0.00
  
```

## **EXPENDABLE BUDGET - GRANT EXPENDITURES AND ENCUMBRANCES**

Expenditure and Encumbrance transactions, which are Grant related, should be recorded in the Grant File using transaction codes that post to the Grant and Project files. To control expenditure and encumbrance transactions against available Grant Expendable Budgets and/or available cash balances, use the control indicators in the Grant Control Table.

1. After receiving a grant award, set up an expendable budget under the Object/Summary Object/Subobject that you need to control the Grant or Project. Set up one for the federal portion (using the Federal Fund) and one for the state portion (using the State Fund).

Federal portion – The federal portion of expenditures including the federal portion of program income expected. Do not include indirect costs. State portion – The state portion (match) of expenditures including the state portion of program income expected. Do not include indirect costs.

**TC 405 or 406** Expendable budget - xxx.xx

2. Record your regular expenditures against the Grant or Project. Do not include program income expenditures unless you plan to move them at a later date.

**TC 230 etc.** Cash expenditures + xx.xx

3. Record program income expenditures by using the Program Income Expenditure transaction codes or the adjustment transaction codes, if they were previously entered as a regular TC 230 etc.

**TC 2PI, 2PB, etc.** Program Income expenditures + xx.xx

4. Continue step 2 and 3 until the expendable balance is zero, unless you have Units Expended (indirect cost expense or in-kind expense).

## **UNITS BUDGETED – INDIRECT COST AND IN-KIND EXPENDITURES**

Indirect cost expenditures that expect to be claimed during the Grant should be posted as Units Budgeted in the Federal Fund. This total amount is usually addressed in the grant award. Adjustments are not normally needed after the original entry. However, according to the Division of Financial Management, if an agency's current process is to deposit indirect cost receipts directly into Fund 0125, they can continue to do so - they do not have to post the indirect costs into the federal fund.

In-kind amounts that expect to be claimed during the Grant should be posted as Units Budgeted in the State Fund. This total amount may or may not be defined in the grant award as an actual amount. This can be adjusted as needed. In-kind is the payment made in the form of goods and services, rather than cash, such as labor hours, machine hours, miles, etc,

Documentation for the value of "in-kind" contributions of property or services, may include:

- Basis for local labor market rates for valuing volunteer services.
- Payroll records or confirmation from other organizations for services provided by their employees.

- Quotes, published prices, or independent appraisals used as the basis for donated equipment, supplies, land, buildings, or use of space.
- 1. Apply for a grant and receive a grant award. Set up the indirect cost expected budget (Federal Fund) and the in-kind expected budget (State Fund) using the Units Budgeted.  
**TC 093**            Units budgeted            - xxx.xx
- 2. Indirect Costs - Record indirect costs expended, which is usually the amount of indirect costs that are being claimed from the federal government, since the last Federal Financial Report for the grant award. You may want to do this on a regular basis when you receive your Grant cash which includes indirect costs.

In-Kind – Record in-kind expended, at the time in-kind was reported to the agency. Record the amount of in-kind not yet reported on the Federal Financial Report for the grant award. You could wait to record it before each Federal Financial Report if you are keeping the information separate.

**TC 460**            Units expended            + xx.xx

## LEARN GRANTS INFORMATION

Refer to [Grants.gov Learn Grants](http://Grants.gov) for grant terminology, reporting and oversight, etc.