

SECTION 6: REVENUE

Federal Grant Drawdown

INTRODUCTION

Federal Grant Drawdown provides procedures for processing agency receipt open items to record federal grant drawdowns in AKSAS. A drawdown is one of the ways the state requests money from the federal government for various federal grants and programs. Most federal grant drawdown requests use a letter of credit, which is an authorization to draw funds from federal agencies within a stated amount and time for payment of specified contract or grant costs incurred by the state.

Agencies prepare federal grant drawdown requests and determine if the agency or the Treasury Division will request the funds. Refer to the *Alaska Administrative Manual (AAM) 50.120 - Drawdown of Federal Funds*. For funds drawn by Treasury, the drawdown request is faxed to the Treasury Division, Cash Management. Once the federal agency pays the drawdown request, Treasury prepares a treasury receipt open item. The agency receipt and treasury receipt are liquidated through the TR/AG Match process.

For deposits associated with the Department of Transportation's Third Party Billing subsystem, Treasury records a 420-10: Treasury Journal Entry transaction to liquidate the agency receipt open item and record the deposit in the appropriate agency funds/appropriations. Refer to *Treasury Journal Entry* in this Section for more information.

AKSAS TRANSACTIONS

- 210-10: Add Agency Receipts
- 210-11: Add Agency Receipts - Miscellaneous

FORMS

- Inception-to-date online management reports
- Forms applicable to the federal program involved

PROCEDURES

I. Determine the amount to be drawn.

There are no statewide standards for determination of the drawdown amount. Generally, the amount drawn is the difference between revenues received and actual expenditures.

- A. From the AKSAS Main Menu, access RM - Management Reporting to review inception-to-date, online management reports showing actual expenditures and restricted revenues for each applicable appropriation number.
- B. From the AKSAS Main Menu, access IO - Open Item Inquiry to determine if all previous draws have cleared. To display existing agency receipts for federal grant drawdowns by reference type, enter **AG** in the OPEN ITEM TYPE field. Select BY REFERENCE, enter **LCN** (Letter of Credit No) in the REF TYPE field, and the letter of credit number in the REF NUM field.

II. Prepare any necessary forms.

Depending on the federal program, forms may need to be completed and submitted with the drawdown request to the Treasury Division to enable the request of funds.

III. Record a 210-10: Add Agency Receipts transaction.

Depending on the federal program requirements, more than one agency receipt open item may be required.

- A. Enter data according to the *Add Agency Receipts* procedure in this Section and the following criteria:
 - 1. **DEPOSIT DATE** - Enter the date the drawdown is requested as **MM DD CCYY**.
 - 2. **TOTAL AMOUNT** - Enter the total drawdown amount as a positive number.
- B. Enter data in the **REFERENCE** line fields. Refer to *Section 4: Financial Transactions & Batch Processing* for more information about reference fields.
 - 1. **TYPE** - Enter a reference line for each of the following required reference types:
 - LCN** Letter of Credit Number
 - TR** Treasury Receipt Number
 - 2. **NUMBER** - Enter an identifier associated with the reference TYPE:
 - LCN** (Letter of Credit) Enter the letter of credit number.
 - TR** (Treasury Receipt) Enter the TR number in AKSAS.
 - 3. **AMOUNT** - Enter the drawdown amount associated with the reference TYPE.
 - 4. **DATE** - Enter the date of the drawdown as **MM DD CCYY**.
- C. Press <Enter> to display online errors. Correct errors until the message NO ONLINE ERRORS TO DISPLAY is received. Press <Enter> again to submit the transaction for certification and processing. Refer to the *Appendix* for a list of online errors, warning messages, and corrective actions.

NOTE: Review any WARNING messages displayed. If these messages do not require correction, press <PF3> to override.

IV. Submit the transaction for certification.

Add agency receipts transactions require certification. Submit the transaction and associated backup to the appropriate individual in your agency for certification according to department procedures. Refer to *Section 2: AKSAS Security & Authorities, Certifying Officer Authority* for more information.

V. Verify the transaction processed.

For more information regarding batch maintenance, refer to *Section 4: Financial Transactions & Batch Processing*.

- A. The next morning, check DM - Maintain Batches to determine if the add agency receipts transaction processed successfully. If a transaction did not process, view the transaction and determine corrective action. If necessary, resubmit the corrected transaction for certification and processing. Refer to the *Appendix* for a list of error messages and corrective actions.

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- B. Once the transaction has processed successfully, review the Financial Transaction (FTP) Register to verify all processed information for the transaction is correct. If the results of a processed transaction are not as intended, correct the open item using a 210-20: Change Agency Receipts transaction. Refer to the procedure for Change Agency Receipts in this Section.

VI. Archive/file processed transactions.

Maintain copies of the processed transactions and related backup according to department procedures.

ACCOUNTING ENTRIES

For information on the financial effect of agency receipts, refer to *Add Agency Receipts* in this Section.