

Overview

SC0-563 – Grant/Contract Analysis



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

1

1

Division of Financial Reporting - Contacts

- **Katie Madonia, Director of Financial Reporting**
(217) 782-5198
katie.madonia@illinoiscomptroller.gov
- **Elizabeth Johnson, Manager of Financial Reporting**
(217) 557-3368
elizabeth.johnson@illinoiscomptroller.gov
- **Miriam Stowell, PSA**
(217) 524-7220
miriam.stowell@illinoiscomptroller.gov
- **Johanna Helm, PSA**
(217) 557-5385
johanna.m22.helm@illinoiscomptroller.gov



SUSANA A. MENDOZA
ILLINOIS STATE COMPTROLLER

2

SCO-563 - Grant/Contract Analysis

- Purpose of the form is to calculate a receivable or liability at fiscal year-end and summarize other information related to grants and contracts.
- Provides information needed to prepare the Statewide Schedule of Expenditures of Federal Awards (SEFA) for the primary government portion of the State of Illinois Reporting Entity in accordance with the Federal Single Audit Act of 1984 (with amendment in 1996) and the OMB Circular A-133.
- Form is reconciled to the GAAP Package to verify accuracy of revenues, expenditures, receivables, and liabilities associated with federal or other assistance.



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

3

3

SCO-563 - Grant/Contract Analysis

- Required for each fund receiving cash or non-cash assistance from the Federal government, other government units, or private organizations.
- Contracts or awards from other State funds are reported on the SCO-567 Interfund Activity-Grantee Agency form.
- Grants or contracts can be cash or non-cash.
- Non-cash awards consist of Loans and Loan Guarantees, Insurance Contracts, Food Stamps, Commodities, Donated Property, Free Rent. etc.



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

4

4

SCO-563 - Grant/Contract Analysis

- **Reimbursement Grant** – An expenditure driven grant where a recipient obtains a claim to resources by incurring qualifying expenditures.
- **Related expenditures should be recognized in the accounting period in which the fund liability is incurred, and**
- **Revenue should be recognized when expenditure is incurred.**
- **When completing the SCO-563 form, emphasis should be placed on items comprising total reimbursable costs.**



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

5

5

SCO-563 - Grant/Contract Analysis

- **Total reimbursable costs are defined as the amount of reimbursement earned for the grant or contract during the fiscal year.**

Calculation for total reimbursable costs is:

Current Year Cash Expenditures
 Plus: Adjustments to Expenditures (if applicable)
 Plus: Current Year Accounts Payable
 Plus: Current Year Due To (From) Subgrantees per SCO-568
 Less: Prior Year Accounts Payable
 Total Reimbursable Costs

- **If reimbursement-type grant or contract activity is the only activity in the fund:**
 - Grant receipts should agree to revenues in the agency records column on the trial balance
 - Grant expenditures should agree to expenditures in the agency records column on the trial balance
 - Total reimbursable costs should agree to expenditures reported in the current year GAAP Basis column on the trial balance.



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

6

6

SCO-563 - Grant/Contract Analysis

- **SCO-563 Fields/Definitions-Data Entry:**
 - SCO-563 Form can be found at <https://563.illinoiscomptroller.gov/login/index.cfm>



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

7

7

SCO-563 - Grant/Contract Analysis

- **SCO-563 Fields/Definitions-Data Entry:**
 - **SAMS Expenditures Through June 30, CY** – Field should be populated with the June 30, current year cash-basis expenditures.
 - **Expenditure Adjustments** – Field should be populated with any adjustment amount needed to properly calculate the ending balance of the amounts due to/from the grantor. (Note: explanation/reconciliation for amount may be requested.)
 - **Accounts Payable** – Field should be populated with liabilities reported on the SCO-549 less any liabilities (due to) reported on form SCO-568.
 - **SCO-568** – Field should be populated with the net due from/to reported on the form SCO-568.
 - **Ref. Paid to Grantor** – Field should be populated with the refunds paid to the Grantor of any amounts that were reported as a liability to the Grantor in the prior year. It is important to ensure this figure is not also included in current year expenditures.



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

8

8

SCO-563 - Grant/Contract Analysis

- **SCO-563 Fields/ Definitions-Data Entry :**
 - **Refunds CY** – Field should be populated with any refunds paid to the Grantor during the current year relating to current year activity.
 - **Grant Receipts** – Field should be populated with the June 30, current year cash-basis receipts.
 - **Deferred Revenue** – Box should be checked if a current year liability is calculated, and the unspent funds will not be returned to the grantor, but rather spent in future fiscal years (unearned deferred revenue).
 - **Receipts During Lapse** – Field should be populated with the amount of receipts received during the lapse period (July and August of the of the subsequent fiscal year) relating to the June 30 calculated receivable amount.
 - **Amt. to Sub** – Field should be populated with the amount of current year expenditures which were passed through to subrecipient entities.



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

9

9

SCO-563 - Grant/Contract Analysis

- **SCO-563 Fields/ Definitions-Data Entry :**
 - **For SEFA Reporting:**
 - **SAMS Expenditures in Whole Dollars** – Field should be populated with the whole dollar equivalent of the SAMS Expenditures Through June 30, CY figure.
 - **Amount to Sub in Whole Dollars** – Field should be populated with the whole dollar equivalent of the Amt to Sub figure.



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

10

10

SCO-563 - Grant/Contract Analysis

- **Standard Journal Entries**
 - **The purpose of the following journal entries is to record various receivables and liabilities calculated on the SCO-563 within the WEDGE GAAP Package.**
 - **Current Year Receivable**

The following entry should be made as an adjusting entry to Form SCO-544:

Account Number	Account Name	Debit	Credit
126	Due From Other Government - Federal	XXX	
426	Federal Operating Grants		XXX

To record a Federal government receivable for a grant or contract in which eligibility requirements have been met.



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

SCO-563 - Grant/Contract Analysis

- **Standard Journal Entries**
 - **Unavailable Revenue**
- **Government-Wide Adjustment – SCO-553**

The following entry should be made as an adjusting entry to Form SCO-544:

Account Number	Account Name	Debit	Credit
426	Federal Operating Grants	XXX	
220	Deferred Revenue - Unavailable		XXX

To record unavailable revenue for receivables from the Federal government not received during lapse period.

Account Number	Account Name	Debit	Credit
220	Deferred Revenue - Unavailable	XXX	
426	Federal Operating Grants		XXX

To reverse entry for Federal government revenue not meeting the availability criteria for government-wide financial statements.



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

SCO-563 - Grant/Contract Analysis

- **Standard Journal Entries**

- **Unearned Revenue**

The following entry should be made as an adjusting entry to Form SCO-544:

Account Number	Account Name	Debit	Credit
426	Federal Operating Grants	XXX	
221	Deferred Revenue - Unearned		XXX

To record unearned revenue for advances from the Federal government.

- **Current Year Liability**

The following entry should be made as an adjusting entry to Form SCO-544:

Account Number	Account Name	Debit	Credit
426	Federal Operating Grants	XXX	
208	Due To Other Government - Federal		XXX

To record a liability for amounts to be returned to the Federal government.



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

SCO-563 - Grant/Contract Analysis

- **SCO563-B – Grant/Contract Reconciliation**

- Grant/Contract Reconciliation is a required manual form to reconcile total reimbursable costs as shown on the SCO-563 to Federal government revenues on the WEDGE trial balance.



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

SCO-563 - Grant/Contract Analysis

- **SCO-563-C – Grant/Contract Subrecipient Listing**
 - Grant/Contract Subrecipient Listing is a required manual form for any grant that includes payments made to subrecipients.
 - This form is used to provide a detail listing of amounts provided to subrecipients.
 - The amounts reported on this detail listing should agree, in total, to the amounts reported on the SCO-563, in the “Amount to Sub” field.



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

15