TO: All Head Start Grantees, including Head Start, Early Head Start, Early Head Start-Child Care Partnerships, Collaboration Offices, and National Centers

SUBJECT: Federal Reporting of Standard Forms (SF) 425 and 428

INSTRUCTION:

This Program Instruction (PI) notifies grantees of the requirements for submission of the Federal Financial Report Standard Form (SF)-425 for cash transactions and for expenditures to the U.S. Department of Health and Human Services (HHS) Payment Management System.


All Head Start grantees are required to submit financial reports detailing the cash transactions made for its federal award(s) and separate reports detailing the expenditures made for the same award(s). For most grantees, filing requirements are satisfied using the same report, Federal Financial Report SF-425.

Cash transactions are reported quarterly with online reporting to the HHS Payment Management System (PMS) on lines 10a–c of SF-425. Expenditures, obligations, and liquidations are reported either quarterly, semi-annually, or annually to the Administration for Children and Families (ACF) on lines 10d–o of SF-425. Head Start grantees currently meet their reporting requirements to ACF via postal mail or by scanning and emailing the form to their assigned fiscal specialist.

ACF and the Program Support Center are collaborating in the submission of SF-425 to reduce the burden on grantees, assist with the reconciliation of expenditures and disbursements, and to allow for timely closeout of grants.

Beginning with the fiscal year (FY) 2016 grant awards, this system of separate online reporting was consolidated into a single reporting system. Starting with these awards, both the cash transactions (lines 10a–c) and the expenditures, obligations, and liquidations (lines 10d–o) are reported through the grantee online accounts with PMS. Every grantee has a PMS account to allow access to complete SF-425. If your office needs additional user access, please contact your PMS representative.
Note the following important conditions:

- This reporting method became effective with the FY 2016 financial reports.
- Any remaining reports still required, or revised, for FY 2015 or earlier must be submitted as a scanned and uploaded document to the Grant Notes file in GrantSolutions.
- SF-425 reports are due as required in the award terms and conditions.
  - Reports will be due on one of the standard dates by which cash reporting is required to be submitted to PMS or at the end of a calendar quarter as determined by ACF. See Table 1.
- Unless instructed otherwise, such as through the terms and conditions or a special condition on the Notice of Award, all Head Start grantees are expected to submit three reports for each Notice of Award and each budget period they have received.
- Generally, awards are for a 12-month budget period. Head Start grantees will continue to submit the following reports:
  - Semi-Annual Report
  - Annual Report
  - Final Report
- Semi-Annual and Annual reports are cumulative, covering either six or 12 months of expenditures, respectively.
- Final Reports will be due on the quarterly submission date for the quarter after the end of their budget period. Grantees that have budget periods beginning Feb. 1, May 1, Aug. 1, and Nov. 1 are the exception. In these cases, the Final Reports will be due on the quarterly reporting date for the quarter in which the grantee's budget period ended. No Final Report will be due sooner than 90 days after the end of the applicable budget period.
- Box 12 of the Final Report must include the following:
  - Total Amount of U.S. Department of Agriculture (USDA) Reimbursement: $________
  - Total Development and Administrative Expenditures: $________ (federal and non-federal)
  - If an unobligated balance of federal funds is being reported on line 'h,' the grantee must provide a breakdown of total federal expenditures for each 'CAN NO.,' which appears in box 25, Financial Information, on the most recent Notice of Award for the budget period.
- To aid in understanding, see the table below. Note that in some cases, the Annual Report and the Final Report will be due on the same date.
Table 1. Find the month in which your Head Start budget period begins in Column 1 and then read across that line.

<table>
<thead>
<tr>
<th>Budget Period Begins</th>
<th>First SF-425 Due</th>
<th>Report Cumulative Costs through</th>
<th>Annual SF-425 Due</th>
<th>Report Cumulative Costs through</th>
<th>Final SF-425 Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1</td>
<td>Jul 30</td>
<td>Jun 30</td>
<td>Jan 30</td>
<td>Dec 31</td>
<td>Apr 30</td>
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<tr>
<td>February 1</td>
<td>Oct 30</td>
<td>Jul 31</td>
<td>Apr 30</td>
<td>Jan 31</td>
<td>Apr 30*</td>
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<tr>
<td>March 1</td>
<td>Oct 30</td>
<td>Aug 31</td>
<td>Apr 30</td>
<td>Feb 28/29</td>
<td>Jul 30</td>
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<td>April 1</td>
<td>Oct 30</td>
<td>Sep 30</td>
<td>Apr 30</td>
<td>Mar 31</td>
<td>Jul 30</td>
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<td>May 1</td>
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<td>Oct 31</td>
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<td>Jul 30*</td>
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<td>June 1</td>
<td>Jan 30</td>
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<td>August 1</td>
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</tbody>
</table>

*The annual and final reports are due on the same date.

Submission of Tangible Personal Property Report SF-428

Grantees are required to provide Tangible Personal Property Report SF-428 and SF-428B, and if needed, SF-428S, not later than 90 days after the close of the project period. Grantees are to scan and upload completed copies of the SF-428 reports to the specified folders in the Grant Notes section of GrantSolutions.

Questions related to fiscal reporting and other administrative requirements should be directed to the assigned grants management specialist identified in the Head Start Enterprise System (HSES). Should your office need additional PMS accounts, please contact your PMS representative at www.dpm.psc.gov.

Thank you for the work you do on behalf of children and families.

/ Ann Linehan /

Ann Linehan
Acting Director
Office of Head Start
Resources:
Post-Award Reporting Forms: SF-425 and SF-428