State of Rhode Island
Department of Administration

OFFICE OF ACCOUNTS AND CONTROL

OAC-GRANTS MANAGEMENT SYSTEM CONVERSION

OFFICE OF ACCOUNTS & CONTROL

GRANTS MANAGEMENT SYSTEM CONVERSION – POLICY A-77

Division Contact:
Steve Thompson
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Effective 4/15/2022   **Revised N/A**

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1. Purpose

The purpose of this policy is to establish rules and guidelines for the adoption of the Grants Management System (GMS). It establishes criteria for determining which awards to manage in the GMS, and when to convert (or tag) historic transactions associated with an existing award. This Policy supports the implementation of an enterprise-wide grants management system (GMS) and the planned implementation of a modern HRIS/Payroll and financial system.

2. Background

Historically, RIFANS has supported federal financial reporting at the Assistance Listing level. Agencies have tracked award level financial data outside of RIFANS. The 7-digit line item sequence in the RIFANS Chart of Accounts is associated with a Catalog of Federal Domestic Assistance (CFDA) number. Each CFDA number represents one or more federal programs, with many associated awards. Therefore, in limited cases, individual transactions are associated with multiple federal awards.

The State is currently implementing an enterprise-wide grants management system. The GMS will enable financial and programmatic management of federal financial assistance, and associated subawards and contracts. The system covers the award life-cycle, from application through closeout, and is designed to support budgeting at same level as the SF-424 federal budget form. For GMS to have accurate financial data, each transaction must be associated with a single federal award.

RIFANS will remain the accounting system of record for federal financial assistance. Therefore, data integrations between GMS and RIFANS are necessary. GMS will generate a unique Rhode Island Grant Identifier (RIGID) for each award and each "child" sub-project. The RIGID must be associated with each grant transaction in RIFANS to link financial data in the two systems. Additionally, to enable budgeting and tracking of matching funds in the GMS, match transactions must be linked using a RIGID in RIFANS.

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Recommended Best Practice: Establish a distinct line item sequence in the RIFANS Chart of Accounts for each federal award unique identifier, or Federal Award Identification Number (FAIN). This will enhance internal controls and reduce RIFANS user burden by enabling transactions to be automatically labeled with the corresponding RIGID.

3. Applicability

This Policy shall apply to all departments and agencies of state government and to all federal financial assistance, unless excluded below.

Exclusions:
- RI Department of Transportation
- Medicare funds

4. Definitions

a) **Catalog of Federal Domestic Assistance (CFDA):** A comprehensive list of federal assistance programs, now known as "Assistance Listing," and available at SAM.gov.
b) **Grants Management System (GMS):** A cloud-based enterprise-wide system for the management of all federal financial assistance coming to the state of Rhode Island.
c) **Federal Award Identification Number (FAIN):** The unique ID issued by the Federal agency for each financial assistance award.
d) **Internal Subaward:** Funds issued by a federal agency to a state agency that are then transferred to other state agencies, pursuant to the federal award eligibility terms. Transfers to quasi- public corporations do not qualify as internal subawards.
e) **Rhode Island Grant Identifier (RIGID):** Unique identification code automatically assigned by GMS to each award and each "child" sub-project created in GMS.
f) **SF-424:** The standard federal budget form for federal financial assistance.

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5. General GMS Functionality

GMS functionality supports budgeting and expenditure tracking at multiple levels. As a best practice, each federal award received by a state agency on/after January 1, 2022 that is represented by a unique FAIN without suffixes shall be recorded separately in the RIFANS system. A single line sequence shall be issued by the Office of Management and Budget for each Grant Program Function or Activity in Section A *Budget Summary* of the *Federal Non-Construction Budget Form* SF-424A, unless excluded above. For most federal awards (construction and non-construction), there is one Grant Program Function/Activity.

6. GMS Conversion Standards

a) The following awards shall be entered and managed in the GMS:
   (i) All federal Awards (grant agreement) executed on/after January 1, 2022. For federal awards/programs operating without grant agreements, all awards with a period of performance beginning on/after January 1, 2022.

b) The following awards may be entered and managed in the GMS, at the discretion of the agency:
   (i) Federal awards with an open federal budget period as of January 1, 2022, except those listed below.

c) The following awards shall not be entered or managed in the GMS:
   (i) Federal awards that have been 100% expended as of January 1, 2022.
   (ii) Federal awards closed as of January 1, 2022.
   (iii) Federal awards with a final federal budget period end date on/before September 30, 2021.
   (iv) Pandemic funds with period of performance end dates on/before December 31, 2022.
   (v) ERA and HAF, due to unique subrecipient reporting requirements in place prior to the launch of GMS subaward/subrecipient functionality.

7. GMS Conversion Recommendations

For each existing award in Section 6.b, assess if 100% of past transactions can be

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converted into GMS with accuracy. Prioritize awards where all past transactions can be manually tagged, and no changes to prior SFY transactions are needed. Make your decision based on source 02 grant transactions (including payroll), not based on match transactions.

These are general recommendations. Agencies may include awards close to completion in the GMS. For awards with multiple federal budget periods, agencies should use discretion in determining if historic transaction data for all budget periods will be converted, or only data for the current federal budget period.

Converting an existing or "in-flight" award into GMS involves manual tagging of historic transactions associated with the award. The RIFANS Support Team has created the Historic Transaction Register specifically for the purpose of tagging historic transactions. For both technical and accounting reasons, the Historic Transaction Register cannot be used to adjust or split historic transactions. Current fiscal year transactions may be adjusted or split to align with the GMS structure using standard journal adjustment processes (manual or ADI).

Agencies are advised to convert awards meeting all of the following criteria:
- Percentage of funds expended to date: 30% or less
- Remaining period of performance: 12 months or more
- Line sequence unique to the FAIN or Recycled/shared line sequence, but few/no transactions before FY22
- No individual pre-FY22 transactions associated with multiple awards (Transactions that would need to be split to have accurate financial data in GMS)

Agencies should use discretion in converting awards meeting the following criteria:
- Percentage of funds expended to date: 30% - 70%
- Remaining period of performance: 6 - 12 months
- Recycled/shared line sequence, some transactions before FY22

Agencies should avoid converting awards meeting the following criteria:
- Percentage of funds expended to date: 70% or more
- Remaining period of performance: 6 months or less
- Recycled/shared line sequence, with many transactions before FY22, including individual pre-FY22 transactions associated with multiple awards

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(If included, historic transaction data may remain incomplete due to misalignment of prior fiscal year transactions and GMS RIGID structure.)
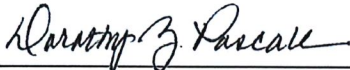
8. General Process

Agencies must first complete the *Grantee Template for Historic Transactions*, listing all existing federal awards, and identifying each award to be converted into the GMS. Conversion requires agency staff to manually tag historic transactions associated with the award by June 15, 2022, using the *Historic Transaction Register*, and submit tagged transactions to the GMO. Any awards not previously migrated or entered into the GMS must first be entered into the GMS.

The Grants Management Office will compile and transmit tagged transactions to the RIFANS Support Team. The RIFANS Support Team will code the data accordingly, and transmit it to GMS.

The Grants Management Office has provided agencies with:
a) Guidance on determining awards to convert;
b) Instructions for tagging historic transactions, including payroll and match transactions;
c) *Grantee Template for Historic Transactions* with prepopulated grant data from GMS; and
d) Instructions for completing the form.

9. Signatures:

_____
State Controller

April 12, 2022
_____
Date

_____
Director of Administration

APR 13 2022
_____
Date