



# ***Reporting – OSBM Administered Grants***

NC Office of State Budget and Management  
October 3, 2024

Integrity

Innovation

Teamwork

Excellence



## Overview

- General Statutes and Administrative Code
- Recipient Duties and Responsibilities
- Reporting Levels & Audit Requirements
- Funds Management
- Document Maintenance: Monitoring and Auditing
- Quarterly Reporting
- Reporting to OSBM using Smartsheet
  - Expense Reporting using Smartsheet Form (includes interest)
  - Quarterly Performance Report PDF (upload via Smartsheet Form)
  - Annual Yellow Book Audit (upload via Smartsheet Form)
- Demonstration
- Resources / Question and Answer



## General Statutes and Administrative Code

- State Statute
  - G.S. 143C-6-23 State Grant Funds
  - S.L. 2021-180: 2021 Current Operations Appropriations Act
    - Section 5.2 Directed Grants; Section 5.3 Cap State-funded Portion of Nonprofit Salaries; Section 40.8 SCIF Grants
  - S.L. 2021-189 Budget Technical Corrections
  - S.L. 2022-6 Budget Technical Corrections
  - S.L. 2022-74: 2022 Current Operations Appropriations Act
    - Section 24.2 Local Government Project – Directed Grants
  - Joint Conference Committee Report on the Current Operations Appropriations Act of 2022
    - Section 24001 – State Budget and Management - State Capital Infrastructure Funds
      - SCIF Grants; Page H 1
    - Section 13085 – Budget and Management – Special Approp.
      - Local Project Reserve – Directed Grants; Page F 27
  - S.L. 2023-134: 2023 Current Operations Appropriations Act
  - Joint Conference Committee Report on the Current Operations Appropriations Act of 2023
  - S.L. 2024-1 Budget Technical Corrections
- Administrative Code
  - 09 NCAC 03M – Revised July 1, 2024
- Policy/State Budget Manual
  - Section 3.15 on Disbursement of Directed Grants – updated on January 10, 2022



## Allowable Uses of Grant Funds

- Funds are used for nonsectarian, nonreligious purposes only. (S.L. 2023-134, Section 5.3(b)(5))
- No more than \$140,000 in State funds, including any interest earnings accruing from those funds, may be used for the annual salary of any individual employee of a nonprofit organization. (S.L. 2023-134, Section 5.4)
- Interest earnings on funds shall be used for the same purposes for which the grant was made. (G.S. 143C-6-23(j))
- Expenditures for travel mileage, meals, lodging and other travel expenses shall be reasonable and supported by documentation. State rates should be used as guidelines. International travel shall not be eligible. [State Rates listed in NC Budget Manual](#)
- Expenditures of grants by any recipient or subrecipient shall be in accordance with the cost principles outlined in the Code of Federal Regulations, 2 CFR, Part 200. (09 NCAC 03M .0201)



## 09 NCAC 03M .0202 RECIPIENT AND SUBRECIPIENT RESPONSIBILITIES

- Maintain reports and accounting records that support the allowable expenditure of State funds.
- Recipients and subrecipients shall make available all reports and records for inspection by the awarding agency, the Office of State Budget and Management, and the Office of the State Auditor for oversight, monitoring, and evaluation purposes.
- Ensure that subrecipients comply with all reporting requirements established by this Subchapter and their **contract** and report to the appropriate disbursing entity.
- **ADVICE: IF YOU ARE SUBGRANTING, DO IT ON A REIMBURSEMENT BASIS.**



## Funds Management

- Grant funds must be accounted for in a separate fund and accounting structure within the RECIPIENT's central accounting and / or grant management system. This shall include accounting for interest earned on these funds.
- All expenses shall be managed in a detailed manner that supports fully transparent accounting of all financial transactions associated with this Grant funding.
- DO NOT commingle your grant funds with any other sources of funds.
- If you do not have an accounting structure that can support fund accounting, then you must hold your funds in a separate bank account.



## How to properly manage your grant funds:

### **Option 1:**

#### **Fund Accounting System**

- Accounting System that supports fund accounting where each source of funds is accounted for separately.
- Typically, a larger organization that handles many different sources of funds.

### **Option 2:**

#### **Separate Bank Account**

- No Accounting System that can account for each source of funds separately.
- Typically, a smaller organization that only handles a few sources of funds.



# RECIPIENTS AND SUBRECIPIENTS

## *Reporting Requirements:*

### **All OSBM Grants are Required to:**

- Certify that funds received, or held, was used for the purposes for which it was awarded
- Provide an accounting of all funds received, held, used, or expended
- Report on **activities and accomplishments undertaken** by the recipient, including reporting on any **performance measures** established in the contract

### **OSBM Grants that require a Yellow Book Audit:**

- **\$500,000** or more in total state funds (received, held, used, or expended) – **FYE June 30, 2024 or before**
- **\$750,000** or more in total state funds (received, held, used, or expended) – **FYE July 1, 2024 – Sept. 30, 2024**
- **\$1,000,000** or more in total state funds (received, held, used, or expended) – **FYE Oct. 1, 2024 or later**
- A single or program-specific **audit** prepared in accordance with Generally Accepted Government Auditing Standards, also known as the Yellow Book





## • Audit Requirement

### Fiscal Year End June 30, 2024 or before:

- **\$500,000** in total state funds are:
  - Received,
  - Held,
  - Used or
  - Expended

Within your organization's fiscal year

**= Yellow Book Audit is Required**

### Fiscal Year End July 1, 2024 – September 30, 2024:

- **\$750,000** in total state funds are:
  - Received,
  - Held,
  - Used or
  - Expended

Within your organization's fiscal year

**= Yellow Book Audit is Required**

### Fiscal Year End October 1, 2024 or later:

- **\$1,000,000** in total state funds are:
  - Received,
  - Held,
  - Used or
  - Expended

Within your organization's fiscal year

**= Yellow Book Audit is Required**



## 09 NCAC 03M .0205 MINIMUM REPORTING REQUIREMENTS FOR RECIPIENTS AND SUBRECIPIENTS (continued)

- Annual Yellow Book Audits are DUE 9 MONTHS AFTER YOUR FISCAL YEAR END.
- Annual Yellow Book Audit will be uploaded using Smartsheet.
- The cost of Annual Yellow Book Audits can be billed to your Grant.
- Most full-service CPA Firms will be able to assist you with an Annual Yellow Book Audit, you choose the firm.



## Monitoring and Auditing

- You are required to maintain all supporting documentation for your grant for five (5) years after the grant has been closed out.
- All grant recipients are subject to being audited, inspected and monitored at any time by OSBM upon its request (whether in writing or otherwise).
- Grantees must provide OSBM staff and staff of the Office of State Auditor with access to financial and accounting records to support internal audit, financial reporting and related requirements.



## Quarterly Reporting

- January 1-March 31 is due on **April 10**.
- April 1- June 30 is due on **July 10**.
- July 1-September 30 is due on **October 10**.
- October 1-December 31 is due **January 10**.
  - Expenses during each quarter must be included on quarterly report.
- You can enter expenses into Smartsheet in real time, no need to wait until deadlines.
- Email reminder will be sent during first week of the month when Quarterly Performance Report is due.



## Reporting to OSBM using SmartSheet – view

- **Point of Contact and Contract Signer will receive link and email for Smartsheet login.** Other members of your organization can also gain access.
- The spreadsheet is **View Only** for Grantees
- **Expense Reporting form** link is live in the spreadsheet.

	GrantID	Grantee Name	Grant Title	Link to Data Entry Form for THIS Grant	Item#	Entry Type	QPR - Quarter	Report Year	Expense Incurred By	Subrecipient Na
1	00000	EXAMPLE Grantee	EXAMPLE Title	<a href="https://app.smartsheet.cc/">https://app.smartsheet.cc/</a>	0001	Expense			Subrecipient	EXAMPLE Subre
2	00000	EXAMPLE Grantee	EXAMPLE Title	<a href="https://app.smartsheet.cc/">https://app.smartsheet.cc/</a>	0002	Expense			Recipient	
3	00000	EXAMPLE Grantee	EXAMPLE Title	<a href="https://app.smartsheet.cc/">https://app.smartsheet.cc/</a>	0003	Expense			Recipient	
4	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cc/">https://app.smartsheet.cc/</a>	1001	Quarterly Performance				
5	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cc/">https://app.smartsheet.cc/</a>	1002	Expense			Recipient	
6	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cc/">https://app.smartsheet.cc/</a>	1003	Expense			Recipient	
7	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cc/">https://app.smartsheet.cc/</a>	1005	Interest Earned				
8	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cc/">https://app.smartsheet.cc/</a>	1007	Quarterly Performance				
9	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cc/">https://app.smartsheet.cc/</a>	1008	Annual Yellow Book Au				
10	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cc/">https://app.smartsheet.cc/</a>	1009	Interest Earned				
11	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cc/">https://app.smartsheet.cc/</a>	1011	Quarterly Performance				
12	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cc/">https://app.smartsheet.cc/</a>	1012	Quarterly Performance				



## Reporting to OSBM using SmartSheet - form

- All reports are submitted through your SmartSheet reporting form link, including:
  - Quarterly Performance Reports
  - Expenses
  - Interest Earned
  - Reimbursed Sales Tax
  - Audit Reports

The screenshot shows the OSBM Grant Reporting form. At the top, it features the OSBM logo (Office of State Budget and Management) and the title "OSBM Grant Reporting". Below the title, it displays "Grant ID: 00000 - Cole's Example for Training" and "Grant Title: Test Grant". A contact instruction states: "For questions on the Reporting process, please contact [NCGrants@osbm.nc.gov](mailto:NCGrants@osbm.nc.gov)". A note reads: "Please enter each item individually. After submitting an item, you will be given a chance to link back to the form to submit another entry." Another note specifies: "All expense items and reports are due quarterly: (Apr 10, Jul 10, Oct 10, and Jan 10)". The form fields include: "Name of person entering this data \*" with an empty text box; "Submission Type \*" with radio button options: Expense, Interest Earned, Reimbursed Sales Tax, Quarterly Performance Report, and Annual Yellow Book Audit; and a checkbox "Send me a copy of my responses". A "Submit" button is located at the bottom of the form. At the very bottom of the page, there are links for "Privacy Notice" and "Report Abuse".



## Expenses – What and How to Report

- **Expense Submissions:**

- Expenses should NOT be aggregated
- Individual submissions for EACH expense
- Individual submissions made by any sub-recipients (do not list your disbursement to your sub-recipient)
- Employee expenses should be submitted by each pay period
- Interest earned should be submitted as it is received
- For approved expenses incurred before receiving funds, report the actual date of the expense and the vendor that was paid for the expense – NOT as reimbursement to your organization
- Supporting Documentation is not submitted during Quarterly reporting and is only required to be submitted if requested by OSBM or the State Auditor



# Sales Tax Examples with a Single Receipt

## Sales Tax Example

Receipt		
Product	Qty	Price
Book	5	\$20.00
Subtotal		\$100.00
Tax		\$8.00
Total		\$108.00

### Not Eligible for Tax Exemption

Report full vendor amount including sales tax paid with grant funds. Report \$0.00 in sales tax field.

Vendor Total Amount	Sales Tax
\$108.00	\$0.00

### Tax Exempt Option #1

#### Sales Tax Paid with Grant Funds; Covered by Future Expenses

Report full vendor amount including sales tax in vendor amount field. Report sales tax amount in sales tax field.

Vendor Total Amount	Sales Tax
\$108.00	\$8.00

### Tax Exempt Option #2

#### Sales Tax NOT Paid with Grant Funds

Report vendor amount excluding sales tax (subtotal) in vendor amount field. Report \$0.00 in sales tax field.

Vendor Total Amount	Sales Tax
\$100.00	\$0.00

### Tax Exempt Option #3

#### Sales Tax Reported After Reimbursement Received

Report full vendor amount including sales tax paid with grant funds in vendor amount field. Report \$0.00 in sales tax field.

Vendor Total Amount	Sales Tax
\$108.00	\$0.00

Then, report reimbursed sales tax once it is received





## Reporting to OSBM using SmartSheet

- **Quarterly Performance Report**  
PDF (upload via SmartSheet Form)
- Download the PDF off OSBM Website, Save to your system, fill out, upload via SmartSheet.
- Do not fill out in the browser, it will save a blank form

OSBM OFFICE OF STATE BUDGET AND MANAGEMENT	
OSBM Administered Grant Quarterly Performance Report	
As required by your signed grant agreement with the North Carolina Office of State Budget and Management, you must report on your use of State grant funds. This includes outlining activities, accomplishments, and performance measures associated with the grant.	
Name: (Person completing the report)	Date:
Organization:	
Grant ID #:	
Reporting Period:	Select Reporting Period Reporting Year:
Were grant funds expended during this reporting period? Yes <input type="radio"/> No <input type="radio"/>	
Do you certify that all grant funds are accounted for separately and not comingled with any other funds? Yes <input type="radio"/> No <input type="radio"/>	
Do you certify that all expenses to date have been submitted for this grant and are reflected in the associated Smartsheet? Yes <input type="radio"/> No <input type="radio"/>	
Do you certify that all funds to date were used for the purposes for which they were awarded and in compliance with your contract? Yes <input type="radio"/> No <input type="radio"/>	
Provide a report of activities and accomplishments related to your Grant Project(s) during this reporting period.	
Provide an update on the objectives, as outlined in your Scope of Work, of the Grant Project(s). Have you accomplished any of your objectives?	
Provide an update on your expected results, as outlined in your Scope of Work, of the Grant Project(s). Have you accomplished any of your expected results?	
Provide an update on your performance measures, as outlined in your Scope of Work, for the Grant Project(s).	



## How to Close Out:

### Checklist for Closing out your Grant:

1. All expenses submitted are included in your Scope of Work
2. All expenses are submitted and the balance on your SmartSheet is \$0
3. All interest earned has been submitted in the amount as it was received
4. Yellow book audit is submitted for grants that hit the \$\$\$ threshold
5. Final Quarterly Performance Report states that all funds have been spent and the project related to this grant is complete.

#### SmartSheet Summary

##### Sheet Summary

Grant Amount Received FY23-24

\$200,000.00

Grant Amount Received FY24-25

\$0.00

SUM - Vendor Amount with Sales Tax

\$200,000.00

SUM - Sales Tax

\$0.00

SUM - Employee Salary

\$0.00

SUM - Property - Purchase Price

\$0.00

SUM - Interest

\$0.00

SUM - Reimbursed Sales Tax

\$0.00

BALANCE

\$0.00





## Summary Tab – Compliance Check

### Quarterly Performance Report (QPR) Compliance Check:

- **IN COMPLIANCE** = QPRs are submitted for each required reporting period
- **MISMATCH** = More QPRs submitted than required
- **NOT IN COMPLIANCE** = Missing QPRs from one or more required reporting periods

### SmartSheet Summary QPR Compliance Check

#### Sheet Summary

BALANCE *fx*

\$189,810.00

Employee Salary as % of Total Grant

0.0%

Payment Date

07/05/24

QPRs Required - End Date

Total QPR Due To Date *fx*

1

Total QPR Received To Date *fx*

1

QPR Compliance *fx*

IN COMPLIANCE





## Summary Tab – Not in Compliance – Next Steps

### Not in Compliance – Next Steps:

- Identify which reporting periods you are missing Quarterly Performance Reports:
  1. Scroll down the Sheet Summary to see which QPR Status states “MISSING”
  2. Submit the Quarterly Performance Report for the Quarters stating “MISSING”
  3. Quarterly Reports are required to be submitted starting the quarter in which you received your funds and until the quarter in which all funds have been spent.
  4. If you believe your grant is ready for closeout and no longer need to submit Quarterly Reports, reach out to your Grant Administrator.

### SmartSheet Summary QPR Compliance Check

Sheet Summary	
QPR Due End of MAR 2024	NO
QPR Status MAR 2024	
QPR Due End of JUN 2024	NO
QPR Status JUN 2024	
QPR Due End of SEP 2024	YES
QPR Status SEP 2024	MISSING
QPR Due End of DEC 2024	NO
QPR Status DEC 2024	



## Demonstration

- We have developed instructional videos that are available for each type of reporting, please see OSBM website.
- **Friendly reminder**: You are responsible for compliance with all laws, ordinances, codes, rules, regulations, licensing requirements and other regulatory matters that are applicable to the conduct of this business and work performance under this Agreement, including those of Federal, State, and local agencies having appropriate jurisdiction.
- Time for Demonstration!



## Frequently asked questions during the Q&A:

### 1. Will this webinar be recorded?

- We have recordings of prior webinars that cover the same information shared today on our website, along with a copy of the slide deck. Our website has a lot of information, including FAQs, required documents, and webinar recordings:
  - <https://www.osbm.nc.gov/stewardship-services/directed-grants/osbm-administered-grants>

### 2. When do I need to start submitting reports for my grant?

- Reporting begins once you have received your grant funds.

### 3. How do I receive the link to the SmartSheet reporting form for my grant?

- Your organization's Point of Contact and Contract Signer for your grant will receive a link and email from Smartsheet granting you access to your reporting sheet. Your Grant Administrator can share the link with other members of your organization. If you would like the link shared, please email your grant administrator or [NCGrants@osbm.nc.gov](mailto:NCGrants@osbm.nc.gov) with your Grant ID# and email address you would like it shared with.

### 4. What if I cannot find the link to my SmartSheet reporting form?

- Please bookmark or save your SmartSheet reporting link somewhere so that you can easily locate it each quarter as this will be the same reporting link for the full cycle of your grant.
- If you are still unable to find your SmartSheet link, go to [Smartsheet.com](https://smartsheet.com) to login and use the browse feature

### 5. Do I need to submit invoices or supporting documentation for my expenses?

- You should not submit invoices or supporting documentation when you submit your expenses on your SmartSheet reporting form. However, you are required to maintain records of all supporting documentation for up to five years after the project is complete and all supporting documentation should be made available if requested by our office or the State Auditor.

# *Questions*

Website: [osbm.nc.gov/stewardship  
services/directed grants/osbm  
administered grants](https://osbm.nc.gov/stewardship/services/directed-grants/osbm-administered-grants)

Email: [NCGrants@osbm.nc.gov](mailto:NCGrants@osbm.nc.gov)

