



# ***Sales Tax Reporting – OSBM Administered Grants***

NC Office of State Budget and Management  
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Integrity

Innovation

Teamwork

Excellence



## Overview

- Funds Management
- Document Maintenance: Monitoring and Auditing
- Sales Tax Reporting Options
- Reporting to OSBM using Smartsheet
  - Expense Reporting using Smartsheet Form (includes interest)
- Demonstration
- Resources / Question and Answer



## 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.**



## • 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.



# Reporting to OSBM using SmartSheet

- **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.cr">https://app.smartsheet.cr</a>	0001	Expense			Subrecipient	EXAMPLE Subre
2	00000	EXAMPLE Grantee	EXAMPLE Title	<a href="https://app.smartsheet.cr">https://app.smartsheet.cr</a>	0002	Expense			Recipient	
3	00000	EXAMPLE Grantee	EXAMPLE Title	<a href="https://app.smartsheet.cr">https://app.smartsheet.cr</a>	0003	Expense			Recipient	
4	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cr">https://app.smartsheet.cr</a>	1001	Quarterly Performance				
5	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cr">https://app.smartsheet.cr</a>	1002	Expense			Recipient	
6	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cr">https://app.smartsheet.cr</a>	1003	Expense			Recipient	
7	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cr">https://app.smartsheet.cr</a>	1005	Interest Earned				
8	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cr">https://app.smartsheet.cr</a>	1007	Quarterly Performance				
9	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cr">https://app.smartsheet.cr</a>	1008	Annual Yellow Book Au				
10	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cr">https://app.smartsheet.cr</a>	1009	Interest Earned				
11	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cr">https://app.smartsheet.cr</a>	1011	Quarterly Performance				
12	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cr">https://app.smartsheet.cr</a>	1012	Quarterly Performance				



# Reporting to OSBM using SmartSheet – reporting 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 interface. 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 follows: "For questions on the Reporting process, please contact [NCGrants@osbm.nc.gov](mailto:NCGrants@osbm.nc.gov)". A note states: "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." Below this, it specifies: "All expense items and reports are due quarterly: (Apr 10, Jul 10, Oct 10, and Jan 10)". The form itself is a white box with a dark border. It contains a text input field for "Name of person entering this data \*". Below that is a "Submission Type \*" section with five radio button options: "Expense", "Interest Earned", "Reimbursed Sales Tax", "Quarterly Performance Report", and "Annual Yellow Book Audit". At the bottom of the form is a checkbox for "Send me a copy of my responses" and a "Submit" button. A footer link "Privacy Notice | Report Abuse" is located at the bottom right of the form area.



## 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 Choice Model

If you are eligible for tax exemption, you may not charge sales tax to the grant without requesting a reimbursement from the State.

Are you eligible for tax exemption?  
Examples: Non-Profit, 501c3, or  
Local Government

No

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

Yes  
(you have 3 options)

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

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

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

THEN

Report reimbursed  
sales tax once it is  
received



# Sales Tax Decision Model

Are you eligible for sales tax exemption?

Yes

No

Did you use grant funds to pay the whole bill or invoice, including sales tax?

Yes

No

Do you have a cash flow or other issue requiring you to wait for the sales tax reimbursement before you can cover the sales tax paid by grant funds? i.e. your organization cannot cover the sales tax with another source of funding.

Yes

No

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

THEN

Report reimbursed sales tax once it is received

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

Report subtotal amount paid with grant funds without sales tax. Report \$0.00 in sales tax field.

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



# Sales Tax Examples with a Single Receipt

## Sales Tax Example

Receipt		
Product	Qty	Price
Book	5	\$20.00
<b>Subtotal</b>		\$100.00
<b>Tax</b>		\$8.00
<b>Total</b>		\$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



# How to Review Balance:

## Ensure Expenses Submitted Align with YOUR Internal Records:

1. Open up the Summary Tab on the right-hand side of your grant's SmartSheet.

	GrantID	Grantee Name	Grant Title	Link to Data Entry Form for THIS Grant	Item#	Entry Type	QPR - Quarter	Report - Year	Expense Incurred By	Subrecipient Name	Date
1	00000	EXAMPLE Grantee	EXAMPLE Title	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	0001	Expense			Subrecipient	EXAMPLE Subrecipient	
2	00000	EXAMPLE Grantee	EXAMPLE Title	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	0002	Expense			Recipient		
3	00000	EXAMPLE Grantee	EXAMPLE Title	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	0003	Expense			Recipient		
4	00000	EXAMPLE Grantee	Test Grant	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	1134	Expense			Recipient		
5	00000	EXAMPLE Grantee	Test Grant	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	1142	Expense			Recipient		
6	00000	EXAMPLE Grantee	Test Grant	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	1143	Expense			Recipient		
7	00000	EXAMPLE Grantee	Test Grant	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	1145	Expense			Recipient		
8	00000	EXAMPLE Grantee	Test Grant	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	1148	Expense			Recipient		
9	00000	EXAMPLE Grantee	Test Grant	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	1150	Expense			Recipient		
10	00000	EXAMPLE Grantee	Test Grant	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	1153	Expense			Recipient		
11	00000	EXAMPLE Grantee	Test Grant	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	1155	Expense			Recipient		
12	00000	EXAMPLE Grantee	Test Grant	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	1156	Expense			Recipient		
13	00000	EXAMPLE Grantee	Test Grant	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	1158	Expense			Recipient		
14	00000	EXAMPLE Grantee	Test Grant	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	1160	Expense			Recipient		
15	00000	EXAMPLE Grantee	Test Grant	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	1162	Expense			Recipient		
16	00000	EXAMPLE Grantee	Test Grant	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	1164	Expense			Recipient		
17	00000	EXAMPLE Grantee	Test Grant	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	1166	Expense			Recipient		
18	00000	EXAMPLE Grantee	Test Grant	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	1168	Expense			Recipient		
19	00000	EXAMPLE Grantee	Test Grant	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	1170	Expense			Recipient		
20	00000	EXAMPLE Grantee	Test Grant	<a href="https://app.smartsheet.com/b/for">https://app.smartsheet.com/b/for</a>	1171	Expense			Recipient		

## SmartSheet Summary

**Sheet Summary** : ? x

Grant Amount Received FY23-24

\$200,000.00

Grant Amount Received FY24-25 *fx*

\$0.00

SUM - Vendor Amount with Sales Tax *fx*

\$200,000.00

SUM - Sales Tax *fx*

\$0.00

SUM - Employee Salary *fx*

\$0.00

SUM - Property - Purchase Price *fx*

\$0.00

SUM - Interest *fx*

\$0.00

SUM - Reimbursed Sales Tax *fx*

\$0.00

**BALANCE** *fx*

\$0.00



## Demonstration

- We have developed instructional videos that are available for each type of reporting, please see OSBM website:
  - <https://www.osbm.nc.gov/stewardship-services/directed-grants/osbm-administered-grants/reporting>
- Time for Demonstration!

# 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)

