



**STATE OF SOUTH CAROLINA
ACCOUNTING FOR FEDERALLY DECLARED
DISASTERS**

Grant Accounting Rules Assumed Herein

- Funds received from a federal agency, whether direct or indirect should be recorded in a Grant as Revenue.
 - Exceptions: an agency has a contract to perform a service for a federal agency.
- All federal revenues in a Grant must be offset by federal expenditures in that Grant.
- If the federal participation is less than 100%, the State's matching expenditures should also be recorded in the grant.

Agency Incurs Disaster Costs

- Agency responds and provides support using available funding.
- A disaster Internal Order number (98XXXXXX) is requested by SC Emergency Management Division (EMD) and created in SCEIS.
- This Internal Order will be used as a cost collector for all expenses incurred as direct support for the event including payroll and operating expenditures.
- Agencies must record a journal entry to move over any disaster costs to the Internal Order that may have been incurred prior to the Internal Order being created or that were not identified as disaster related at the time of occurrence.

Journal Entry To Move Costs to Internal Order

- Initial account assignment stays the same, debit line includes Internal Order.

Enter G/L Account Document: Company Code SC01

Tree on Company Code Hold Simulate Park Processing Options

Basic Data Details

Document Date 09/05/2018 Currency USD
 Posting Date 09/05/2018 Period 3
 Reference DISASTER R/C
 Doc.Header Text Add IO#
 Document type SU Adjustment document
 Cross-CCode No.
 Company Code SC01 State of South Carolina Columbia, SC

Amount Information
 Total Dr. 10,000.00 USD
 Total Cr. 10,000.00 USD

6 Items (Screen Variant : ZFI_FB50_SK_030_0100)

G/L acct	D/C	Amount in doc.cu...	Busi...	Cost center	Func. Area	Fund	Grant	Order	WBS ele
5010580000	S De...	6,000.00	E120	E120000010	E120_0000	30350000	NOT RELEVANT	98000008	
5010580000	H Cr...	6,000.00	E120	E120000010	E120_0000	30350000	NOT RELEVANT		
5130010000	S De...	1,500.00	E120	E120000010	E120_0000	30350000	NOT RELEVANT	98000008	
5130010000	H Cr...	1,500.00	E120	E120000010	E120_0000	30350000	NOT RELEVANT		
5030010000	S De...	2,500.00	E120	E120000010	E120_0000	10010000	NOT RELEVANT	98000008	
5030010000	H Cr...	2,500.00	E120	E120000010	E120_0000	10010000	NOT RELEVANT		



Maintaining Correct Internal Order Balances

- On the previous slide we identified all the disaster related expenditures to the Internal Order.
- Going forward through the accounting for disaster process, there will be no other entries recorded with the Order field populated with the disaster Internal Order.
- This will ensure that reports prepared on the disaster and it's expenditures are recorded once and only once.

FEDERAL SUPPORT



Presidential Declaration is Issued for Disaster

- Presidential Disaster is declared
- Agency prepares PWs (Project Worksheets) for submission to FEMA for processing
- FEMA approves appropriate federal percentage for each PW based on category of work and performance period
- EMD transfers federal funds to state agencies via IDT (inter departmental transfer) per approved PWs to G/L 4280020000 – Federal Operating Grants - Restricted in the federal fund and grant

Federal Revenue Transfer From EMD to Agency

- EMD will contact an agency when an approved PW is received and will inform the agency to initiate an IDT for reimburse.
- In our example, E120 expended \$10,000, the federal award is for \$7,500. Depicted below are the two sides of the IDT:

EMD

5170700300	S De...	7500.00	E240CE0010	E240_0009	55110000	E2401F001115
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E120

4280020000	H Cr...	7500.00	E120000010	E120_0000	5511XXXX	E1201PAFL015
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Transfer of Expenditures to Grant

Timing of Reimbursement

- Due to the nature of disaster grants, reimbursements are rarely received in the same fiscal year as when the disaster occurred.
- When recording the disaster expenditures and/or match expenditures, agencies must **NOT** credit expense in the current fiscal year for expenditures incurred in prior fiscal years if the JE crosses funds.
- The JE to post prior year expenditures to the grant's federal fund will almost always cross funds. For reimbursement received in a subsequent year, credit GL 4520010000, Refund of Prior Year Expenditure, on the match line.

Example Disaster #1

- In this example, E120 incurred \$10,000 disaster related expenditures:

\$7,500 in Fund 30350000,	
5010580000	\$6,000
5130010000	\$1,500

\$2,500 in Fund 10010000,	
5030010000	\$2,500

- Federal reimbursement is 75%. EMD has transferred \$7,500.00 to the E120 disaster grant in Fund 5511XXXX (as established by CG), GL 4280020000.
- At this point, the grant ledger only shows Federal revenue. Expenditures must be moved onto the grant to offset the Federal revenue.

Transfer of Expenditures for Revenue Received in the Same Year

Basic Data		Details		Amount Information					
Document Date	02/27/2019	Currency	USD	Total Dr.					
Posting Date	02/27/2019	Period	8	0.00 USD					
Reference	98000008				Total Cr.				
Doc.Header Text	Move FEMA exp				0.00 USD				
Document type	SU								
Cross-CCode No.									
Company Code	SC01	State of South Carolina Columbia, SC							
0 Items (Screen Variant : ZFI_FB50_SK_030_0100)									
G/L acct	D/C	Amount in doc.cu...	Busi...	Cost center	Func. Area	Fund	Grant	Order	
5030010000	S De...	2500.00		E120000010	E120_0000	5511XXXX	E1201PAFL015		
5030010000	H Cr...	2500.00		E120000010	E120_0000	10010000	Not Relevant		
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5010580000	H Cr...	4000.00		E120000010	E120_0000	30350000	Not Relevant		
5130010000	S De...	1000.00		E120000010	E120_0000	5511XXXX	E1201PAFL015		
5130010000	H Cr...	1000.00		E120000010	E120_0000	30350000	Not Relevant		

Transfer of Expenditures for Revenue Received in the Subsequent Year

Basic Data		Details		Amount Information	
Document Date	02/27/2019	Currency	USD	Total Dr.	
Posting Date	02/27/2019	Period	8		0.00 USD
Reference	98000008			Total Cr.	
Doc.Header Text	Move FEMA exp				0.00 USD
Document type	SU				
Cross-CCode No.					
Company Code	SC01	State of South Carolina Columbia, SC			

Crosses Funds !!

0 Items (Screen Variant : ZFI_FB50_SK_030_0100)

G/L acct	D/C	Amount in doc.cu...	Busi...	Cost center	Func. Area	Fund	Grant	Order
5010580000	S De...	6000.00		E120000010	E120_0000	5511XXXX	E1201PAFL015	
4520010000	H Cr...	6000.00		E120000010	E120_0000	30350000	Not Relevant	
5130010000	S De...	1500.00		E120000010	E120_0000	5511XXXX	E1201PAFL015	
4520010000	H Cr...	1500.00		E120000010	E120_0000	30350000	Not Relevant	

Example Disaster #1

- After the transfer of expenditures to the grant, our grant now has Federal revenues and expenditures of \$7,500.

Example Disaster #2

- In our next example, E120 incurred \$10,000 disaster related expenditures:

\$10,000 in Fund 10010000
5030010000

\$10,000

- Federal reimbursement is 75%. EMD has transferred \$7,500.00 to the E120 disaster grant in Fund 5511XXXX, GL 4280020000.
- At this point, the grant ledger only shows Federal revenue. Expenditures must be moved onto the grant to offset the Federal revenue.

Transfer of Expenditures for Revenue Received in the Subsequent Year

Basic Data		Details		Amount Information																															
Document Date	02/27/2019	Currency	USD	Total Dr.																															
Posting Date	02/27/2019	Period	8	0.00 USD																															
Reference	98000008	Crosses Funds !!			Total Cr.																														
Doc. Header Text	Move FEMA exp				0.00 USD																														
Document type	SU	0 Items (Screen Variant : ZFI_FB50_SK_030_0100)																																	
Cross-CCode No.		<table border="1"> <thead> <tr> <th>G/L acct</th> <th>D/C</th> <th>Amount in doc.cu...</th> <th>Busi..</th> <th>Cost center</th> <th>Func. Area</th> <th>Fund</th> <th>Grant</th> <th>Order</th> </tr> </thead> <tbody> <tr> <td>5030010000</td> <td>S De...</td> <td>7500.00</td> <td></td> <td>E120000010</td> <td>E120_0000</td> <td>5511XXXX</td> <td>E1201PAFL015</td> <td></td> </tr> <tr> <td>4520010000</td> <td>H Cr...</td> <td>7500.00</td> <td></td> <td>E120000010</td> <td>E120_0000</td> <td>28370000</td> <td>Not Relevant</td> <td></td> </tr> </tbody> </table>							G/L acct	D/C	Amount in doc.cu...	Busi..	Cost center	Func. Area	Fund	Grant	Order	5030010000	S De...	7500.00		E120000010	E120_0000	5511XXXX	E1201PAFL015		4520010000	H Cr...	7500.00		E120000010	E120_0000	28370000	Not Relevant	
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4520010000	H Cr...	7500.00		E120000010	E120_0000	28370000	Not Relevant																												
Company Code	SC01	State of South Carolina Columbia, SC																																	

Because the original expenditure occurred in Fund 10010000, the refund of the prior year expense must be posted to a revenue account in Fund 28370000.

Example Disaster #2

- After the transfer of expenditures to the grant, the grant now has Federal revenues and expenditures of \$7,500.

STATE SUPPORT

South Carolina Legislature Approves State Support

- State legislature may approve state reimbursement for a disaster. The State reimbursement may be in full or in part.
- The entire approved amount will be appropriated to the SC Emergency Management Division (E240) and disbursed to qualifying agencies per approved PWs via IDT into an earmarked fund and a revenue G/L.
- In this example, EMD was appropriated the full State match; E120 receives \$2,500 from the appropriated State match.

EMD

5170700300	S De...	2500.00	E240CE0010	E240_0009	10010000	E2401F001115	
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E120

4300060000	H Cr...	2500.00	E120000010	E120_0000	30350000	E1201PAFL015	
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South Carolina Legislature Approves State Support

The same rules apply to the State funds that applied to the federal funds:

- The fiscal year in which the reimbursement is received will determine the accounting treatment;
 - same year the offset is expenditures,
 - subsequent year the offset is revenue, if it crosses funds.
- Prior expenditures must be reimbursed to the Fund from which they were expended. If there were expenditures previously reimbursed with Federal funds, only those funds which were not reimbursed can be reimbursed with State Share.
- If the expenditures were originally paid out of 10010000, the state share reimbursement will be recorded as revenue to fund 28370000 if the reimbursement is received in a subsequent fiscal year.

Example Disaster #1

- In this example, E120 incurred \$10,000 disaster related expenditures:

\$7,500 in Fund 30350000,

5010580000

\$6,000

5130010000

\$1,500

\$2,500 in Fund 10010000,

5030010000

\$2,500

- In the subsequent year, Federal funds reimbursed the original expenditures in Fund 3035000 (see slide 12).
- The only original expenditures remaining to be reimbursed are the expenditures in 10010000.

South Carolina Legislature Approves State Support

Enter G/L Account Document: Company Code SC01

Tree on | Company Code | Hold | Simulate | Park | Processing Options

Basic Data | Details

Document Date	02/27/2019	Currency	USD
Posting Date	02/27/2019	Period	8
Reference	98000008		
Doc.Header Text	Move FEMA Exp		
Document type	SU		
Cross-CCode No.			
Company Code	SC01	State of South Carolina Columbia, SC	

Amount Information

Total Dr. 0.00 USD

Total Cr. 0.00 USD

0 Items (Screen Variant : ZFI_FB50_SK_030_0100)

G/L acct	D/C	Amount in doc.cu...	Busi...	Cost center	Func. Area	Fund	Grant	Order
5030010000	S De...	2500.00		E120000010	E120_0000	30350000	E1201PAFL015	
4520010000	H Cr...	2500.00		E120000010	E120_0000	28370000	Not Relevant	



Complete Grant Match

Our end result:

- The Internal Order report will show that the disaster expenditures were \$10,000.
- \$7,500 in Federal Revenue on the grant, Fund 5511XXXX,
- \$7,500 in Federal Expenditures on the grant, Fund 5511XXXX,
- \$2,500 in State Revenue on the grant, Fund 30350000,
- \$2,500 in State Expenditures on the grant, Fund 30350000,
- Cash on the grant is \$0.00, all is well!!

Any Questions?

