



WISCONSIN ACCOUNTING MANUAL
 Department of Administration – State Controller’s Office

Section	10	CONTRACTS, GRANTS AND FEDERAL DRAWS	Effective Date	10/1/2015
Sub-section	01	Central Federal Draw	Revision Date	9/15/2015
SAM Ref	8-4			

BACKGROUND

In 1975, an Executive Order signed by Governor Patrick Lucy established a statewide, centralized federal draw process to be managed by DOA, and incorporated into the State’s financial systems. A centralized draw process reduces costs and increases efficiency because:

1. It ensures that Federal cash is transferred to the State as quickly as possible, while still meeting Federal regulations.
2. Only SCO Central Draw staff must establish draw credentials for the various payment systems.
3. The SCO Central Draw area is staffed each business day without interruption.
4. All communications with the Federal Payment Systems are managed by Central Draw staff.

The State has utilized separate federal draw subsystems that interfaced to the State’s enterprise accounting system. However, beginning in FY 2016, the federal draw process will be integrated within the enterprise accounting system – STAR.

POLICIES

1. Agencies should utilize the SCO’s Central Draw process for all grants that require multiple draws. Federal Grants/Projects that receive only a single payment should not be established for Central Draw.
2. Agencies must record their grant expenditures within the STAR grants module, so that the Schedule of Expenditures for Federal Assistance may be produced directly from STAR.

PROCEDURES

For agencies that are using the Centralized Draw process in STAR, the following fields **MUST** be populated in the Contracts area:

- LOC Doc ID
- Letter of Credit

If your grant is drawn using Payment Management System (PMS) you may also need to complete the Subaccount ID field.

LOC Doc ID is the number assigned by the Payment System needed for the draw process. This may be labeled as a Document Number, Account ID (Code) or the Award Number depending on the Payment System. If the grant is drawn through the Payment Management System a subaccount may also be assigned. If you have a subaccount you must enter it in the Subaccount ID field. The following table shows which Federal field must be used to populate the LOC Doc ID, depending on the payment system:



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Federal Payment System	LOC Doc ID	Example
Payment Management System (PMS)	Document Number *must also fill in Subaccount ID field if provided on Award letter	05-1505WIINCT = Document ID HIT-INTCTPAY15 = Subaccount
Automated Standard Application for Payments (ASAP)	Account ID	BG99516215
G5 (Education)	Award No.	H126A150074
Grant Payment Request System (GPRS)	Award No.	2014-WF-AX-0044

It is important to understand that the LOC Doc ID End Date and Inactive DOC ID checkbox are informational only and will not stop the draw/bill process. You may choose to use these fields for informational purposes but they are not required by SCO. The following is an example of the LOC DOC ID and Subaccount ID in STAR.

The screenshot shows the 'Award Profile' page in the STAR system. The browser address bar shows 'https://wi-pfnuat.wi.gov/psp/pfnuat/EM'. The page title is 'Award Profile'. The breadcrumb navigation is 'Main Menu > Grants > Awards > Award Profile > General Information'. The page includes a navigation bar with 'Home', 'Worklist', 'Add to Favorites', and 'Sign out'. Below the navigation bar, there are tabs for 'General', 'Lines', and 'Amendments'. The 'General' tab is active, displaying contract information: Contract Number 051505WI5000, Amendment Number 0000000000, Sold To Customer Us Department Of Health And Human Servic, and Contract Status ACTIVE. There is an 'Amend Contract' button. Below this, there is a 'Contract Lines' section with a table. The table has columns for Actions, Line, Product, Description, Price Type, LOC Doc ID, LOC Doc ID End Date, Subaccount ID, and Inactive Doc ID. The table contains one row: Line 1, Product GRANTS_AS_INCURRED, Description Rate Based, Price Type Rate, LOC Doc ID 1505WI5000, LOC Doc ID End Date 12/31/2014, Subaccount ID (empty), and Inactive Doc ID checkbox (unchecked). Below the table, there are links for Billing Plans, Revenue Plans, Milestones, Renewals, and Supplemental Data. At the bottom, there are buttons for Save, Return to Search, and Notify.

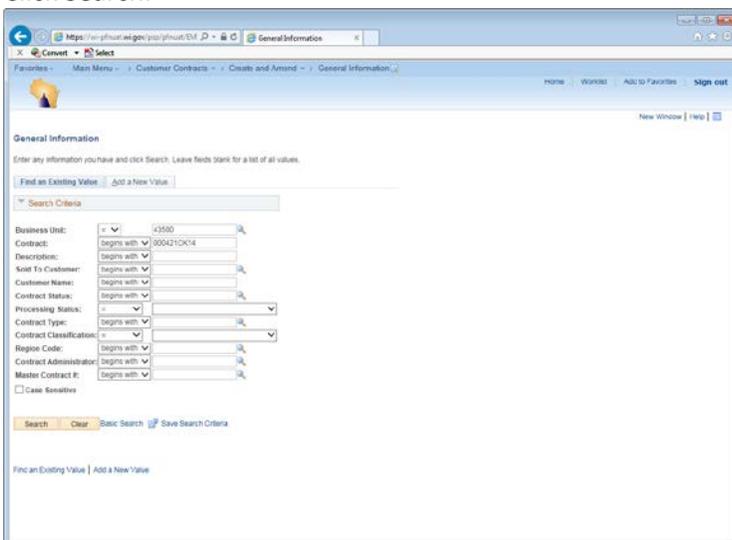


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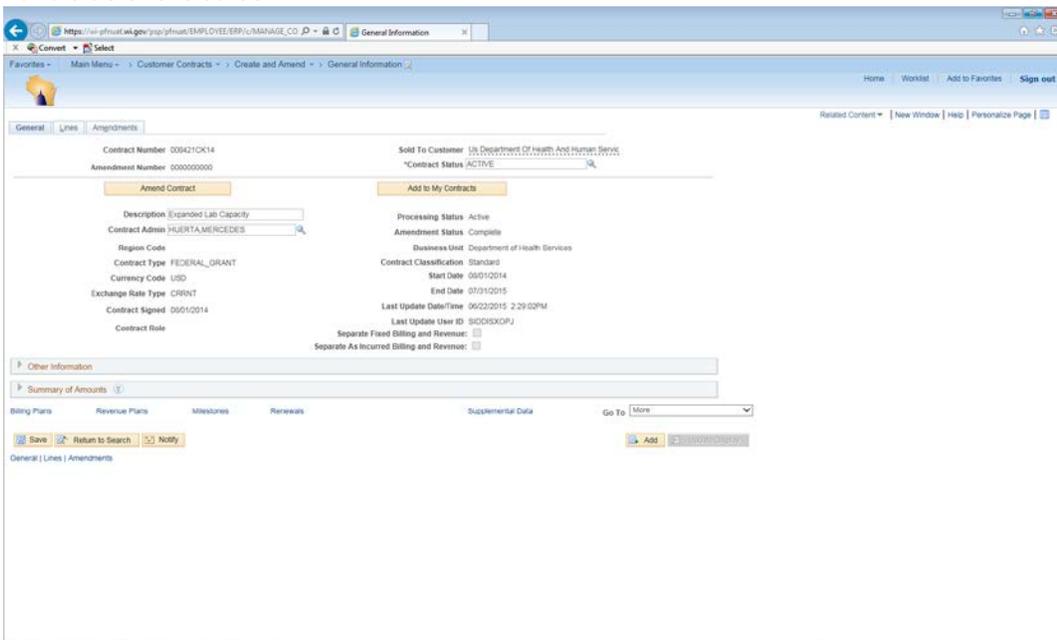
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The Letter of Credit Number is established at the Sponsor level. Note the LOC Number will default to the first LOC Number listed for the Sponsor. One Sponsor could have multiple LOC Numbers. You must verify the correct LOC Number is selected. To do this you should navigate to Customer Contracts>Create and Amend>General Information. In the Find an Existing Value search, type in your Business Unit and Contract, Click Search.



The General page should display. You must then navigate to the Go To dropdown located at the bottom left hand side of the screen:





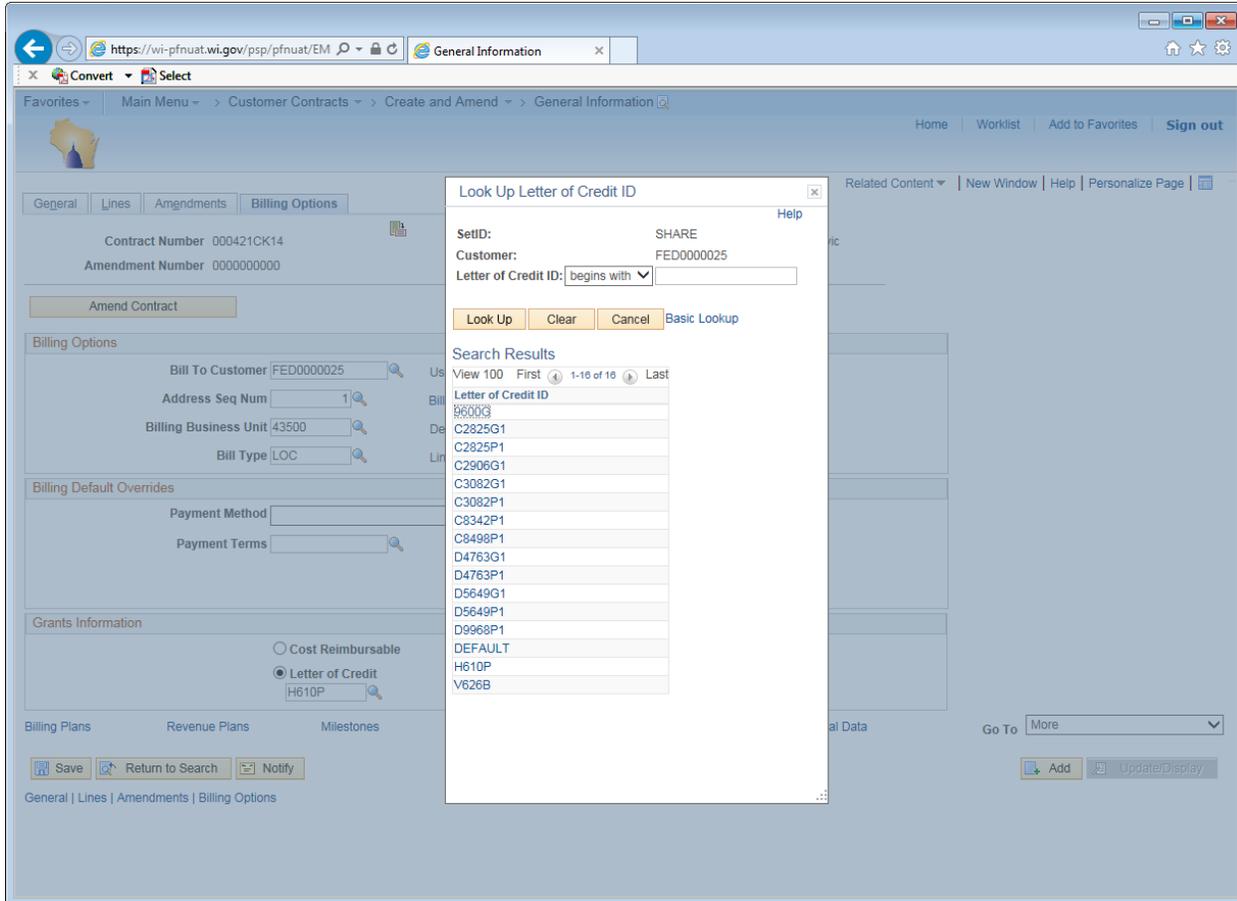
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In the Go To dropdown select Billing Options.

To change the Letter of Credit selected click on the looking glass and select the correct Letter of Credit:



If you are unsure of the correct Letter of Credit ID to select, please contact the State Controller’s Office for assistance. In general, for reoccurring grants the Letter of Credit ID will remain the same.

The CMIA (Cash Management Improvement Act) requires each state to develop an agreement with the U.S. Treasury which governs the timing of some federal cash transfers. CMIA programs are updated each year. Programs are added or removed from this list depending on the amount of expenditures recorded in the most current Single Audit report. The CMIA requires states to time the receipt of federal cash with the clearance of payments that are issued for Federal programs. The state must pay the Federal government interest in cases when it receives Federal cash in advance of when the payments clear the state’s bank. On the other hand, the Federal government must pay the state interest if it does not provide sufficient funds to cover the payments as they clear the state’s bank. For CMIA contracts, the Agency must select the specific CMIA Sponsor to ensure the proper draw delay is applied. A list of CMIA programs will be sent out to all agencies in June prior to the beginning of a new Fiscal Year along with the LOC Number relating to the CMIA program.



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The last step in setting up the contract is to validate that the billing plan for the contract line has the appropriate Bill Type.

- If the contract cash draw request is centralized at DOA, then the Bill Type = “LOC”
- If the contract cash draw request is performed by the agency, then the Bill Type = “LOA”

The screenshot shows a web browser window with the URL <https://wi-pfnuat.wi.gov/psp/pfnuat/EM>. The page title is "General Information". The breadcrumb navigation is: Main Menu > Customer Contracts > Create and Amend > General Information. The page has a navigation bar with "Home", "Worklist", "Add to Favorites", and "Sign out". Below the navigation bar are tabs for "General", "Lines", "Amendments", and "Billing Options". The "Billing Options" tab is active. The main content area shows contract details: Contract Number 000421CK14, Amendment Number 0000000000, Sold To Customer Us Department Of Health And Human Servic, and Contract Status ACTIVE. There is an "Amend Contract" button. The "Billing Options" section contains: Bill To Customer FED0000025 (Us Department Of Health And Human Servic), Address Seq Num 1, Billing Business Unit 43500 (Department of Health Services), and Bill Type LOC (Line of Credit Centralized). The "Billing Default Overrides" section has a Payment Method dropdown and a Payment Terms search field. The "Grants Information" section has radio buttons for Cost Reimbursable, Letter of Credit (selected), Cost Sharing Detail, and Salary Detail, with a search field containing H810P. At the bottom, there are tabs for Billing Plans, Revenue Plans, Milestones, Renewals, and Supplemental Data. A "Go To" dropdown is set to "More". Action buttons include Save, Return to Search, Notify, Add, and Update/Display. The breadcrumb at the bottom is: General | Lines | Amendments | Billing Options.



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Centralized Draw Overview

All the necessary batch jobs will be run overnight to collect costs and run the billing interface for all Contract’s with a Bill Type of LOC (Central Draw). The State Controller’s office will run the Pro-Forma Letter of Credit draw reports for each agency and email the reports to the necessary Grant Accountants by 9:00 am each morning. Each Grant Accountant should review the report and notify the State Controller’s Office by 11:00am if there are any issues with the Allowable Draw amounts.

The State Controller’s office will also review the Pro-Forma Letter of Credit reports. The State Controller’s office will approve all billing worksheets by 12:00pm. After all billing worksheets are approved; the State Controller’s office will print the Finalized Letter of Credit draw report and enter the draw amounts in the Payment Systems.

Cash Receipts

SCO will enter in all Cash Receipts related to Central Federal draws in STAR. The Cash Receipts will be applied by the LC (Letter of Credit) in STAR.

Authorization Changes

SCO will notify agencies if any authorization changes are made in the federal payment systems. Agencies should update the billing limit for the contract as soon as possible after the notification.