Quarterly Report

Objectives

- Partner will have a better understanding of why the various report components are required
- Partner will have a better understanding of how the Quarterly Report should be filled out
- Grantee receives better instructions on how and why to complete the Quarterly Report
- Grantees will submit more complete and accurate Quarterly Reports
- Grantee will better understand how to use the Quarterly Reports to assess their project and organization.

Course Content

1. Why Are Quarterly Reports Necessary?

A. The USADF Quarterly Report is the standard client form for reporting on a combination of performance and financial indicators for both Enterprise Expansion Investments (EEI) and Enterprise Development Investments (EDI). The QR also serves as a portfolio summary that maintains a historical view of the project in a single location. The QR helps ADF monitor if a project is on track with the work plan, if the grantee is handling ADF funds properly, and whether or not the project is performing against the Appendix A indicators.

2. General Guidelines

A. The Quarterly Report consists of two parts: Part I is an Excel document and Part II is a Word document.

B. ADFW will send a customized Quarterly Report for each grant when the grant agreement is sent out.

C. Customized information includes: project budget, Appendix A indicators to be measured, and planned activities and trainings.

D. ADF reporting quarters are as follows:

(1) January 1-March 31
(2) April 1- June 30
(3) July 1 – September 30
(4) October 1 – December 31

E. If a grant is active for all or part of the quarter, a Quarterly Report is required.

F. A complete Quarterly Report submission includes (format preferred):

(1) Part I (excel file)
(2) Part II (word file)
(3) Bank Reconciliation (pdf file)
(4) Bank Statement (pdf file)

G. A copy of the complete quarterly report should be kept in the records of the grantee, partner, and ADFW.

3. QR Part I

Part I is for reporting financial data and progress on the work plan. It consists of five (5) or six (6) worksheets:

(1) Performance Indicators
(2) Financial Report
(3) Financial Statement
(4) Work Plan
(5) Budget Shift/Amendment
(6) Bank Reconciliation

- Part I is designed to show historical information on the grant and provide space for the grantee to enter new information each quarter.
- Each sheet has directions on top.
- Cells shaded light yellow are to be filled in each quarter by the grantee.
- Green shaded cells will calculate based on formulas.

A. ***Performance Indicators Worksheet***

The information on this worksheet is used to measure progress against the Appendix A targets and to record required API data.

- The worksheet has indictors listed on the left side of the page and dates for reporting listed across the top. The grantee is required to report on all indicators listed for each quarter (even if the value for the quarter is zero).
- For all indicators, the worksheet shows annual year totals for the client to use to track progress. Annual totals are for each project year (not calendar year or fiscal year).
- For each indicator included in the Appendix A, the worksheet also shows the annual targets for the indicator to compare against the annual total.
- For each indicator included in the Appendix A, the worksheet also shows baseline data so the grantee can gauge progress from the start of the grant.

B. ***Financial Report Worksheet***

The information on this worksheet is used to report on the use of ADF funds.

- The worksheet has budget line items listed on the left side of the page and dates for reporting listed across the top.
- At the top of the sheet, there is a row to report disbursements and a rows that calculate the cash on hand at the beginning and at the end of the quarter.
- The first section to the right of the budget line items shows the budget, total expenditures, and remaining balance.
- For each quarter, the grantee will need to fill in:
  (1) The expenses against each line item
  (2) The disbursements received during that quarter
- Error Messages: This worksheet will show error messages if the grantee reports invalid information.
- Shift Needed- If the expenses reported for a line item exceed the budget for that line item, the problem cell will be highlighted red and at the bottom of the page an error message will show in red "Shift Needed". If this happens, the grantee will need to fill out the "Budget Shift/Amendment" Worksheet. (Filling out the shift worksheet <u>will not remove the error</u> so that the ADF program staff know to look for a shift.) If the shift exceeds the limit for pre-approval, it may suggest a larger problem requiring the partner to visit the grantee to determine the situation- Are records correct? Are they spending according to the grant agreement? Do they need retraining on ADF grant rules or reports?
- Expenses Exceed Disbursements- If the total reported expenses exceed the total disbursements, at the bottom of the page an error message will show in blue "Expenses Exceed Disbursements." Grantees cannot pre-spend ADF grant funds, so if this error comes up, confirm that all disbursements have been reported at the top of the page, confirm that reported expenses match their records. This error may suggest a larger problem requiring the partner to visit the grantee to determine the situation- Are records correct? Are they comingling funds? Do they need retraining on ADF grant rules or reports?
- Whenever a budget shift or amendment is approved, the grantee is responsible for updating the "Budget" column in this worksheet with the most current budget. <u>The budget should NOT be updated until ADFW sends confirmation that the shift is approved.</u>
- To ensure accountability, the individual who fills in the report at the grantee

level should enter their name and date at the bottom of the workbook page.
- The reviewing partner should also provide their name and date at the bottom of the workbook in the designated cells.

C. Financial Statement Worksheet

The information on this worksheet is used to help the grantee manage their cash flow as well as understand their overall financial health.
- If the client has an accounting software program, this workbook page can be replaced with standardized cash flow statement and income statement reports from the software. ADFW must approve the replacement.
- If using this format, the grantee should fill in all yellow cells.
- If there is no information is available, a "0" should be filled in.
- The green cells do not need to be filled in and will calculate automatically.
- The Financial Statement sheet should be filled out with the grantees organizational financial information, not just ADF funds.
- EDI grantees are not required to complete this worksheet prior to the 4th quarter of the grant if financial systems are not in place. As soon as financial systems are in place, the grantee should start reporting.

D. ***Work Plan Worksheet***

The information on this worksheet is used to track the progress made against project activities and training activities.
- The first section shows activities with their planned completion dates and the second section shows training activities with their planned completion dates.
- If the project plan is adjusted, the client should note the change in the "Amended Planned Start Date" column. An explanation of why these changes were required must be provided in Part II of the Quarterly Report.
- For each activity **begun** in the reporting quarter, the grantee should fill in the "Actual Start Date."
- For each activity **completed** in the reporting quarter, the grantee should fill in the "Completion Date."
- For each training completed in the reporting quarter, the grantee should fill in the "Training Provider" with the individual or group who led the training.
- Fill in the "Completion Dates" for trainings that have been completed- multiple dates or a date range can be inputted if the training occurred over a period of time

E. ***Budget Shift/Amendment Worksheet***

The Budget Shift/Amendment sheet should only be used when a budget shift or amendment is requested. This is not required every quarter.
- The current budget will automatically be filled in based on the budget identified in the "Financial Report" worksheet
- The grantee should fill in the "Shift Request" column identifying the changes in the budget they are requesting.
- The individual who fills in the report at the grantee level should enter their name and the date completed at the bottom of the page.
- The reviewing and approving partner staff should also provide their name in the designated cells.

F. ***Bank Reconciliation Worksheet***

The information on this worksheet is used to show that the grantee records match their bank records.
- The Bank reconciliation is included in some, but not all Part I Quarterly Reports. Older grants will have the

Bank Reconciliation Form as a separate document.

- All grantees must submit a Bank Reconciliation.
- The grantee must fill out the form to reconcile their general ledger against the bank account records.

4. Part II

Part II is for reporting narrative background on the progress on the project. It consists of two (2) pages:

(1) Project Status
(2) Additional Activity

A. "Project Status" page is required each quarter.

- The grantees must answer each question and describe in detail project activities that were completed during the quarter.
- The narrative should highlight any major challenges, changes, or successes in the project status.
- The narrative should address any unusual or problematic information reported in the financial data in Part I.

B. "Additional Activity" page only needs to be submitted in the June quarter (but can be submitted each quarter). It is used to report required information for API.

5. Responsibilities

A. ***Grantee***

The grantee is responsible for completing the QR, submitting it to the partner, and resolving any questions from the partner about accuracy or completeness within 30 days of the end of the quarter.

B. ***Partner***

- The partner is responsible for reviewing the QR and working with the grantee during the 30 day period to ensure the report is completed and accurate.
- The partner is responsible for writing a review memo and submitting the entire report to ADF within 30 days of the end of the quarter. The review memo should discuss:
  (1) any major challenges, changes, or successes the grantee encountered during the quarter, how it will impact project plans, and what follow-up actions are planned
  (2) the financial position of the grantee as revealed by their financial statements, how their financial position will impact the work plan or progress against project targets, possible solutions to problems and what follow-up actions are planned
  (3) any warning signs that the partner sees with the project and follow-up actions that are planned
  (4) any challenges the partner had in getting a complete, accurate report from the grantee

C. ***ADF***

ADF is responsible for reviewing the quarterly report and providing feedback. The feedback will be sent to the partner, but should be communicated to the grantee and used to improve project implementation.

6. Advice from the Experts

- Complete, accurate, and reviewed quarterly reports are an essential deliverable from the grantee and the partner. It demonstrates the grantee's compliance with the Grant Agreement. It demonstrates the partner's compliance with responsibilities in the Cooperative Agreement. And it demonstrates that ADF is complying with their duty to ensure sound use of funds.

- Weaknesses in quarterly reports are a significant liability in an audit.
- Complete and timely quarterly reports also ease the workload for preparing API data or portfolio reviews.
- The Part I reports are formatted to print with one project year showing on each page.
- If you want to show only a few quarters on the screen, you can hide unneeded quarters. Select all of the columns you want hidden, right click on the selected columns, select "hide columns". To see the columns again, select the columns to the right and left of the hidden columns, right click on the selected columns, and select "unhide columns".

Handouts

Quarterly Report Form Part I
Quarterly Report Form Part II
Sample Quarterly Report
Quarterly Report Course Notes