We are issuing this Program Guidance Letter to comply with the Office of Management and Budget (OMB) directive for all federal agencies to begin using the new Federal Financial Report (FFR) form number SF-425 no later than October 2009.

FAA Regional offices and Airports District Offices are encouraged to distribute this PGL widely to the airport and consultant community.

BACKGROUND

The Department of Transportation, Financial Assistance Management Division has issued instructions to have all agencies to begin using the new FFR no later than October 2009. This PGL implements that directive.

GUIDANCE

This Program Guidance supplements Paragraph 1314, Final Financial Report, of FAA Order 5100-38C, Airport Improvement Program Handbook. All references to SF-269, SF-269A, SF-272 and SF-272A are to be replaced with SF-425.

This form replaces the existing SF-269, SF-269A, SF-272 and SF-272A. Federal agencies will incorporate the requirement to use the new SF-425 into terms and conditions of new and ongoing grant and cooperative agreement awards. The forms and instructions are attached for your use and distribution.

Keywords: Financial Reporting Form and SF-425
Attachment 1
Federal Financial Report Instructions

Report Submissions
1) Recipients will be instructed by Federal agencies to submit the Federal Financial Report (FFR) to a single location, except when an automated payment management reporting system is utilized. In this case, a second submission location may be required by the agency.

2) If recipients need more space to support their FFRs, or FFR Attachments, they should provide supplemental pages. These additional pages must indicate the following information at the top of each page: Federal grant or other identifying number (if reporting on a single award), recipient organization, Data Universal Numbering System (DUNS) number, Employer Identification Number (EIN), and period covered by the report.

Reporting Requirements
1) The submission of interim FFRs will be on a quarterly, semi-annual, or annual basis, as directed by the Federal agency. A final FFR shall be submitted at the completion of the award agreement. The following reporting period end dates shall be used for interim reports: 3/31, 6/30, 9/30, or 12/31. For final FFRs, the reporting period end date shall be the end date of the project or grant period.

2) Quarterly and semi-annual interim reports shall be submitted no later than 30 days after the end of each reporting period. Annual reports shall be submitted no later than 90 days after the end of each reporting period. Final reports shall be submitted no later than 90 days after the project or grant period end date.

Note: For single award reporting:

1) Federal agencies may require both cash management information on lines 10(a) through 10(c) and financial status information lines 10(d) through 10(o).

2) 10(b) and 10(e) may not be the same until the final report.

Line Item Instructions for the Federal Financial Report

<table>
<thead>
<tr>
<th>FFR Number</th>
<th>Reporting Item</th>
<th>Instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cover Information</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Federal Agency and Organizational Element to Which Report is Submitted</td>
<td>Enter the name of the Federal agency and organizational element identified in the award document or as instructed by the agency.</td>
</tr>
<tr>
<td>2</td>
<td>Federal Grant or Other Identifying Number Assigned by Federal Agency</td>
<td>For a single award, enter the grant number assigned to the award by the Federal agency. For multiple awards, report this information on the FFR Attachment. Do not complete this box if reporting on multiple awards.</td>
</tr>
<tr>
<td>3</td>
<td>Recipient Organization</td>
<td>Enter the name and complete address of the recipient organization including zip code.</td>
</tr>
<tr>
<td>4a</td>
<td>DUNS Number</td>
<td>Enter the recipient organization’s Data Universal Numbering System (DUNS) number or Central Contract Registry extended DUNS number.</td>
</tr>
<tr>
<td>4b</td>
<td>EIN</td>
<td>Enter the recipient organization’s Employer Identification Number (EIN).</td>
</tr>
<tr>
<td>5</td>
<td>Recipient Account Number or Identifying Number</td>
<td>Enter the account number or any other identifying number assigned by the recipient to the award. This number is for the recipient’s use only and is not required by the Federal agency. For multiple awards, report this information on the FFR Attachment. Do not complete this box if reporting on multiple awards.</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>Report Type</td>
</tr>
<tr>
<td>---</td>
<td>----</td>
<td>-------------</td>
</tr>
<tr>
<td>7</td>
<td>Basis of Accounting (Cash/Accrual)</td>
<td>Specify whether a cash or accrual basis was used for recording transactions related to the award(s) and for preparing this FFR. Accrual basis of accounting refers to the accounting method in which expenses are recorded when incurred. For cash basis accounting, expenses are recorded when they are paid.</td>
</tr>
<tr>
<td>8</td>
<td>Project/Grant Period, From: (Month, Day, Year)</td>
<td>Indicate the period established in the award document during which Federal sponsorship begins and ends.</td>
</tr>
<tr>
<td></td>
<td>Project/Grant Period, To: (Month, Day, Year)</td>
<td>See the above instructions for “Project/Grant Period, From: (Month, Day, Year).”</td>
</tr>
<tr>
<td>9</td>
<td>Reporting Period End Date: (Month, Day, Year)</td>
<td>Enter the ending date of the reporting period. For quarterly, semi-annual, and annual interim reports, use the following reporting period end dates: 3/31, 6/30, 9/30, or 12/31. For final FFRs, the reporting period end date shall be the end date of the project or grant period.</td>
</tr>
<tr>
<td>10</td>
<td><strong>Transactions</strong></td>
<td>Enter cumulative amounts from date of the inception of the award through the end date of the reporting period specified in line 9. Use Lines 10a through 10c, Lines 10d through 10o, or Lines 10a through 10o, as specified by the Federal agency, when reporting on single grants. Use Line 12, Remarks, to provide any information deemed necessary to support or explain FFR data.</td>
</tr>
<tr>
<td></td>
<td><strong>Federal Cash (To report multiple grants, also use FFR Attachment)</strong></td>
<td></td>
</tr>
<tr>
<td>10a</td>
<td>Cash Receipts</td>
<td>Enter the cumulative amount of actual cash received from the Federal agency as of the reporting period end date.</td>
</tr>
<tr>
<td>10b</td>
<td>Cash Disbursements</td>
<td>Enter the cumulative amount of Federal fund disbursements (such as cash or checks) as of the reporting period end date. Disbursements are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expenses charged to the award, and the amount of cash advances and payments made to subrecipients and contractors.</td>
</tr>
<tr>
<td></td>
<td><strong>For multiple grants, report each grant separately on the FFR Attachment. The sum of the cumulative cash disbursements on the FFR Attachment must equal the amount entered on Line 10b, FFR.</strong></td>
<td></td>
</tr>
<tr>
<td>10c</td>
<td>Cash On Hand (Line 10a Minus Line 10b)</td>
<td>Enter the amount of Line 10a minus Line 10b. This amount represents immediate cash needs. If more than three business days of cash are on hand, the Federal agency may require an explanation on Line 12, Remarks, explaining why the drawdown was made prematurely or other reasons for the excess cash.</td>
</tr>
<tr>
<td></td>
<td><strong>Federal Expenditures and Unobligated Balance:</strong> Do not complete this section if reporting on multiple awards.</td>
<td></td>
</tr>
<tr>
<td>10d</td>
<td>Total Federal Funds Authorized</td>
<td>Enter the total Federal funds authorized as of the reporting period end date.</td>
</tr>
<tr>
<td>10e</td>
<td>Federal Share of Expenditures</td>
<td>Enter the amount of Federal fund expenditures. For reports prepared on a cash basis, expenditures are the sum of cash disbursements for direct charges for property and services; the amount of indirect expense charged; the value of third-party in-kind contributions applied; and the amount of cash advance payments and payments made to subrecipients. For reports prepared on an accrual basis, expenditures are the sum of cash disbursements for direct charges for property and services; the amount of indirect expense incurred; the value of in-kind contributions applied; and the net increase or decrease in the amounts owed by the recipient for (1) goods and other property received; (2) services performed by employees, contractors, subrecipients, and other payees; and (3) programs for which no current services or performance are required. Do not include program income expended in accordance with the deduction alternative, rebates, refunds, or other credits. (Program income expended in accordance with the deduction alternative should be reported separately on Line 10o.)</td>
</tr>
<tr>
<td>10f</td>
<td>Federal Share of Unliquidated Obligations</td>
<td>Unliquidated obligations on a cash basis are obligations incurred, but not yet paid. On an accrual basis, they are obligations incurred, but for which an expenditure has not yet been recorded. Enter the Federal portion of unliquidated obligations. Those obligations include direct and indirect expenses incurred but not yet paid or charged to the award, including amounts due to subrecipients and contractors. On the final report, this line should be zero unless the awarding agency has provided other instructions. <em>Do not include any amount in Line 10f that has been reported in Line 10e. Do not include any amount in Line 10f for a future commitment of funds (such as a long-term contract) for which an obligation or expense has not been incurred.</em></td>
</tr>
<tr>
<td>10g</td>
<td>Total Federal Share (Sum of Lines 10e and 10f)</td>
<td>Enter the sum of Lines 10e and 10f.</td>
</tr>
<tr>
<td>10h</td>
<td>Unobligated Balance of Federal Funds (Line 10d Minus Line 10g)</td>
<td>Enter the amount of Line 10d minus Line 10g.</td>
</tr>
<tr>
<td><strong>Recipient Share:</strong> Do not complete this section if reporting on multiple awards.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10i</td>
<td>Total Recipient Share Required</td>
<td>Enter the total required recipient share for reporting period specified in line 9. The required recipient share should include all matching and cost sharing provided by recipients and third-party providers to meet the level required by the Federal agency. This amount should not include cost sharing and match amounts in excess of the amount required by the Federal agency (for example, cost overruns for which the recipient incurs additional expenses and, therefore, contributes a greater level of cost sharing or match than the level required by the Federal agency).</td>
</tr>
<tr>
<td>10j</td>
<td>Recipient Share of Expenditures</td>
<td>Enter the recipient share of actual cash disbursements or outlays (less any rebates, refunds, or other credits) including payments to subrecipients and contractors. This amount may include the value of allowable third party in-kind contributions and recipient share of program income used to finance the non-Federal share of the project or program. Note: On the final report this line should be equal to or greater than the amount of Line 10.</td>
</tr>
<tr>
<td>10k</td>
<td>Remaining Recipient Share to be Provided (Line 10i Minus Line10j)</td>
<td>Enter the amount of Line 10i minus Line 10j. If recipient share in Line 10j is greater than the required match amount in Line 10i, enter zero.</td>
</tr>
<tr>
<td><strong>Program Income:</strong> Do not complete this section if reporting on multiple awards.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10l</td>
<td>Total Federal Program Income Earned</td>
<td>Enter the amount of Federal program income earned. Do not report any program income here that is being allocated as part of the recipient's cost sharing amount included in Line10j.</td>
</tr>
<tr>
<td>10m</td>
<td>Program Income Expended in Accordance With the Deduction Alternative</td>
<td>Enter the amount of program income that was used to reduce the Federal share of the total project costs.</td>
</tr>
<tr>
<td>10n</td>
<td>Program Income Expended in Accordance With the Addition Alternative</td>
<td>Enter the amount of program income that was added to funds committed to the total project costs and expended to further eligible project or program activities.</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td>10o</td>
<td>Unexpended Program Income (Line 10l Minus Line 10m or Line 10n)</td>
<td>Enter the amount of Line 10l minus Line 10m or Line 10n. This amount equals the program income that has been earned but not expended, as of the reporting period end date.</td>
</tr>
<tr>
<td>11</td>
<td><strong>Indirect Expense</strong>: Complete this information only if required by the awarding agency and in accordance with agency instructions.</td>
<td></td>
</tr>
<tr>
<td>11a</td>
<td>Type of Rate(s)</td>
<td>State whether indirect cost rate(s) is Provisional, Predetermined, Final, or Fixed.</td>
</tr>
<tr>
<td>11b</td>
<td>Rate</td>
<td>Enter the indirect cost rate(s) in effect during the reporting period.</td>
</tr>
<tr>
<td>11c</td>
<td>Period From; Period To</td>
<td>Enter the beginning and ending effective dates for the rate(s).</td>
</tr>
<tr>
<td>11d</td>
<td>Base</td>
<td>Enter the amount of the base against which the rate(s) was applied.</td>
</tr>
<tr>
<td>11e</td>
<td>Amount Charged</td>
<td>Enter the amount of indirect costs charged during the time period specified. (Multiply 11b. x 11d.)</td>
</tr>
<tr>
<td>11f</td>
<td>Federal Share</td>
<td>Enter the Federal share of the amount in 11e.</td>
</tr>
<tr>
<td>11g</td>
<td>Totals</td>
<td>Enter the totals for columns 11d, 11e, and 11f.</td>
</tr>
</tbody>
</table>

**Remarks, Certification, and Agency Use Only**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Remarks</td>
<td>Enter any explanations or additional information required by the Federal sponsoring agency including excess cash as stated in line 10c.</td>
</tr>
<tr>
<td>13a</td>
<td>Typed or Printed Name and Title of Authorized Certifying Official</td>
<td>Enter the name and title of the authorized certifying official.</td>
</tr>
<tr>
<td>13b</td>
<td>Signature of Authorized Certifying Official</td>
<td>The authorized certifying official must sign here.</td>
</tr>
<tr>
<td>13c</td>
<td>Telephone (Area Code, Number and Extension)</td>
<td>Enter the telephone number (including area code and extension) of the individual listed in Line 13a.</td>
</tr>
<tr>
<td>13d</td>
<td>E-mail Address</td>
<td>Enter the e-mail address of the individual listed in Line 13a.</td>
</tr>
<tr>
<td>13e</td>
<td>Date Report Submitted (Month, Day, Year)</td>
<td>Enter the date the FFR is submitted to the Federal agency using the month, day, year format.</td>
</tr>
<tr>
<td>14</td>
<td>Agency Use Only</td>
<td>This section is reserved for Federal agency use.</td>
</tr>
</tbody>
</table>
# Line Item Instructions for the Federal Financial Report Attachment

(To be completed if reporting on cash management activity for multiple grants.)

<table>
<thead>
<tr>
<th>Box Number</th>
<th>Reporting Item</th>
<th>Instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Federal Agency and Organizational Element to Which Report is Submitted</td>
<td>Enter the name of the Federal agency and organizational element identified in the award document or otherwise instructed by the agency. (This information should be identical to that entered in Box 1, FFR.)</td>
</tr>
<tr>
<td>2</td>
<td>Recipient Organization</td>
<td>Enter the name and complete address of the recipient organization including zip code. (Same information as entered in Box 3, FFR.)</td>
</tr>
<tr>
<td>3a</td>
<td>DUNS Number</td>
<td>Enter the recipient organization’s Data Universal Numbering System (DUNS) number or Central Contract Registry extended DUNS number. (Same information as entered in Box 4a, FFR.)</td>
</tr>
<tr>
<td>3b</td>
<td>EIN</td>
<td>Enter the recipient organization’s Employer Identification Number (EIN). (Same information as entered in Box 4b, FFR.)</td>
</tr>
<tr>
<td>4</td>
<td>Reporting Period End Date:(Month, Day, Year)</td>
<td>Enter the ending date of the reporting period of this report. (Same information as entered in Box 9, FFR.)</td>
</tr>
<tr>
<td>5</td>
<td>Federal Grant Number</td>
<td>Enter the grant number assigned to each award by the Federal agency.</td>
</tr>
<tr>
<td></td>
<td>Recipient Account Number</td>
<td>Enter the account number or any other identifying number assigned by the recipient to each award. This number is for the recipient’s use only and is not required by the Federal agency.</td>
</tr>
<tr>
<td></td>
<td>Cumulative Federal Cash Disbursement</td>
<td>Enter the cumulative amount of the Federal share of cash disbursed for each award. Cash disbursements are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expenses charged to the award, and the amount of cash advances and payments made to subrecipients and contractors.</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Enter the total for the Cumulative Cash Disbursement. This column should equal the amount reported on Line 10b, FFR.</td>
</tr>
</tbody>
</table>
Attachment 2

An electronic copy of the Federal Financial Report, SF-425 may be downloaded from the FAA Public Web site from the Airports Form area or from the OMB web site at:

Attachment 3

An electronic copy of the Federal Financial Report, SF-425A may be downloaded from the FAA Public Web site from the Airports Form area or from the OMB web site at: http://www.whitehouse.gov/omb/assets/omb/grants/standard_forms/ffr_attachment.pdf