

## **Interdepartmental Service Agreement (ISA) Budget Amendment Informational Sheet**

### **Purpose**

The purpose of this document is to inform MOVA-funded state agencies (grantees of reporting and budget amendment requirements and considerations. Please visit [MOVA's eGrants webpage](#) for general guides and training videos on how to request a budget amendment in [eGrants](#). This guidance applies only to state agencies that have an ISA with MOVA.

### **Unapproved Costs and Expenditure Corrections - Overview**

As stated in the [MOVA Grant Sub-recipient Policies & Procedures](#), only costs included in the approved grantee budget should be charged to the applicable MOVA program code (e.g., FVOCA2022). On occasion, an expenditure is inadvertently charged to the MOVA program code when the approved budget does not already or cannot support the expenditure.

An example of this situation would be if a state agency charges the MOVA program code for a grant related travel expense when travel reimbursement is not included in the currently approved budget. In this instance, grantees are required to submit an expenditure correction (EX) in MMMARS or request a budget amendment to include the travel reimbursement on the approved budget. In special circumstances, grantees may be required to complete both.

### **Unapproved Costs and Expenditure Corrections – Expenditure Reports**

MOVA's ISA expenditure reporting guidance instructs grantees to report expenditures according to the Acceptance Date (acceptance\_date) in a cash expense query. Acceptance date represents payment date and is used to determine what should be included in, for example, a January expenditure report vs a February expenditure report.

If a grantee detects an incorrect charge early and performs an EX in the same month that the charge occurred, the incorrect charge is undone by the EX and not recognized during the reporting period, thus the charge is not required to be reported on a MOVA expenditure report.

If an EX is processed in a subsequent month, that is, outside the month that the incorrect charge occurred, grantees are required to:


- Report the incorrect charge in the appropriate MOVA expenditure report
  - For example, if the charge occurred in January, it should be recorded in the January expenditure report
- Report the correction/EX in the appropriate expenditure report
  - For example, if the EX processed in February, the EX or negative value of the incorrect charge should be recorded in the February expenditure report

An EX occurring in the same month as an incorrect charge does not need to be reported in an expenditure report because the EX zeroes out the charge during the reporting period that the incorrect charge occurred. An EX occurring in a subsequent month still zeroes out the charge but must show on an expenditure report corresponding to when the EX was processed because the EX occurred outside of the reporting period that the incorrect charge occurred. Reporting in this fashion ensures that spending in eGrants matches spending in MMARS.

### **Unapproved Costs and Expenditure Corrections – Budget Amendments**

[The MOVA Grant Sub-recipient Policies & Procedures](#) states that all proposed costs must appear on the approved budget prior to reimbursement. In accordance with this guidance, a budget amendment should be requested to add the incorrect charge to the budget if the EX was performed in a subsequent month and the approved budget does not have any funds in the affected cost category.

**Attention**

 The Current Period Request column for Travel cannot exceed the VSS Approved Budget Column.

Alternatively, a grantee may keep the incorrect charge if it is an allowable cost. In this case, a budget amendment request to add this cost to the budget is required, but an EX is not. Please discuss your unique situation with your program coordinator to determine the best option for you.

Grantees are required to submit an updated ISA Attachment B following a budget amendment. Attachment B, which is included in the initial ISA, breaks down the budget by object class, object class amounts, identifies the ISA total amount, and specifies amended object classes and dollar amounts. When a budget amendment is requested and approved and funds move in or out of a cost category, the amended object classes and amounts must be included in an updated Attachment B. Attachment B revisions are not required if there is no redirection of funds in or out of a cost category and changes only occur within cost categories. For MOVA's purposes, the columns circled in red in the below image are required. Within two weeks of budget amendment submission, please email the updated Attachment B to your program coordinator for review and approval.

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