

Reporting ERR Timely and Accurately on FSR Process Model

August 2009 – EAP Annual Training

The following documents the Energy Related Repair (ERR) processes from a household request to reporting on the Financial Status Report (FSR). The intention is to clarify the processes and steps used to assure proper controls and accounting of ERR funds and activities.

Background

The FSR are required to match eHEAT ERR paid for the reported month. This enables oversight of performance and fiscal operations, ERR allocation requests validation, projecting expenditures and program closeout management. More importantly, matching ERR amounts aids in assuring payments are accurate and timely to assure safe quality services.

The *EAP Policy Manual* states* "Energy Related Repair (ERR) cumulative expenditures on each FSR must equal the total "Paid" ERR Events/Tasks in eHEAT on the last day of the reported month." The FSR requires ERR expenditures on a paid basis. This may challenge SPs depending on the type of accounting (Accrual or other) used. SPs are not required to convert accounting systems to meet the ERR FSR requirements, but only need to report data documenting the ERR activities paid to the date.

To assure accurate and timely ERR reporting, SPs must:

- Accurately enter ERR events & tasks in eHEAT as they originate
- Update eHEAT ERR paid data before the end of the month
- Reconcile eHEAT ERR paid data to SP fiscal records for the month reporting
- Enter the ERR paid by the end of the month on the FSR for the reported month
- Enter notes explaining discrepancies on FSR due to accrual accounting (To meet SP auditor's reporting expectations, activities normally kept on an accrual basis record the accrual expenditures in the "Service Provider Notes" box on FSR.)

Starting April 2009 the following procedures were implemented for reporting ERR expenditures:

- An FSR is not accepted if the eHEAT ERR total paid amounts on the last day of the month do not match the cumulative ERR total on the FSR for the month or the FSR "Service Provider Notes" does not explain reason for discrepancies
- An FSR not meeting this requirement is "Re-Opened" with a "State Fiscal Notes" stating "Please review your FSR ERR activities against eHEAT ERR paid and note the difference in your SP Notes."
- SPs have until the 15th of-the-month after the report month to correct and submit an accurate FSR
- Late or inaccurate FSR are subject to the **TIMELINESS AND ACCURACY OF REPORTS** provisions of FFY 2009 EAP Policy Manual, Chapter 18 – Information and Reporting, pages 115 and 116.
- Late or inaccurate FSR may result in: SP compliance finding, Denial of cash requests and or Denying requests for additional funds

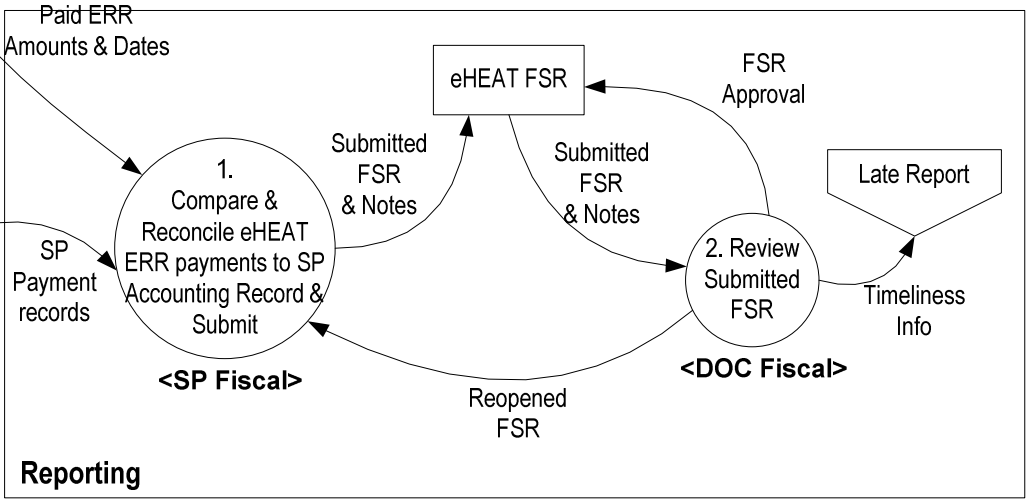
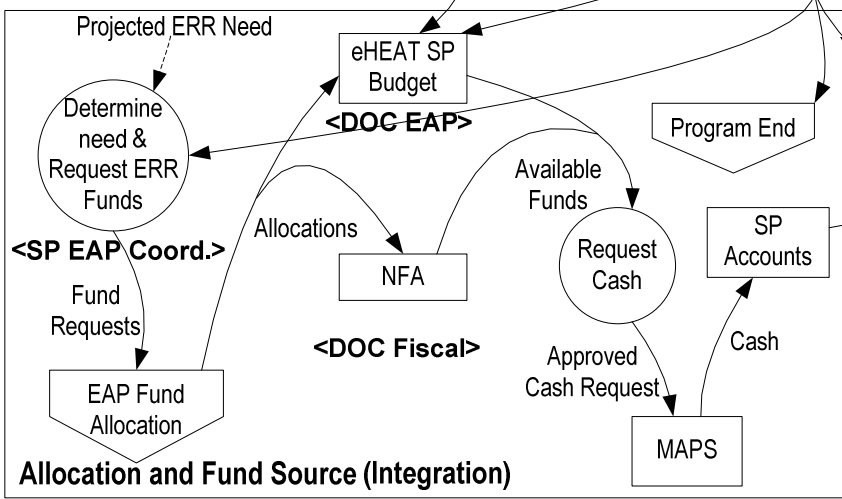
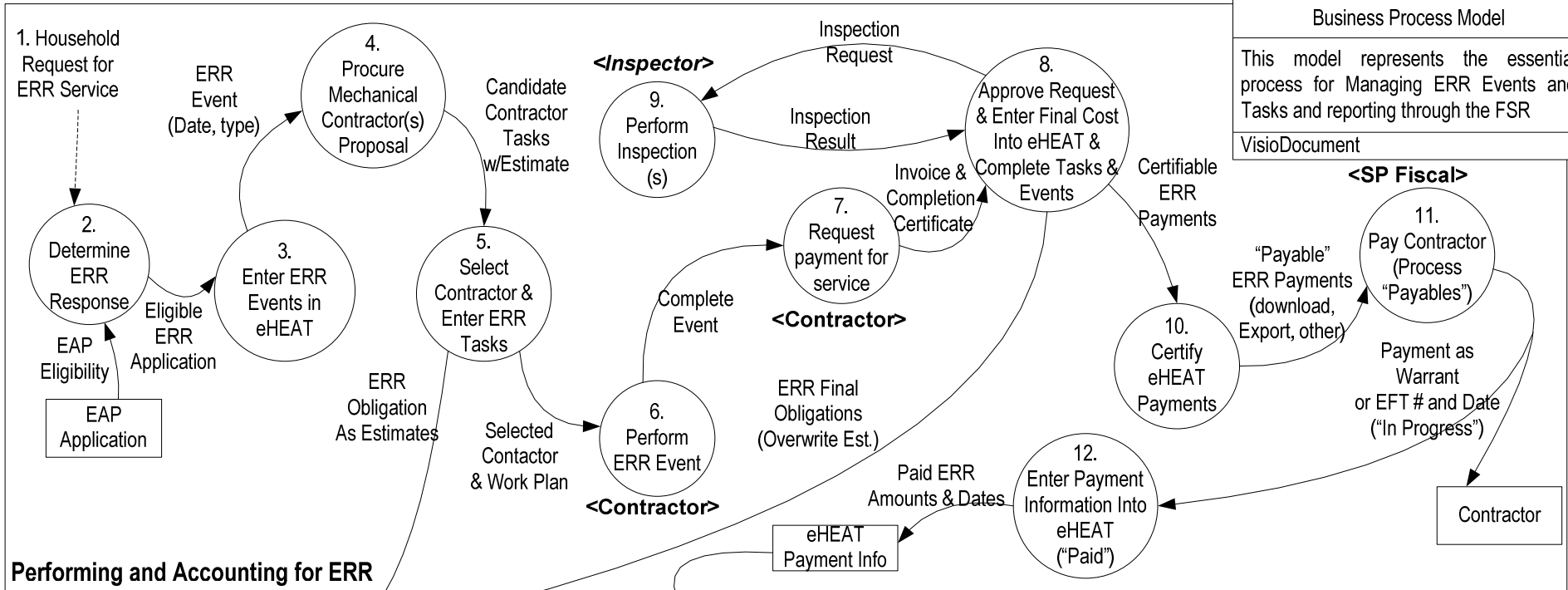
Contact Mark Kaszynski at 651-297-4521, if you have fiscal questions. Contact your EAP field rep, if you have other questions

ERR Management With FSR

Business Process Model

This model represents the essential process for Managing ERR Events and Tasks and reporting through the FSR

VisioDocument



ERR Fiscal Reporting Process (Model Text) FFY2010 EAP Annual Training August 2009

From: Household request for ERR Service

To: Completed financial reporting and reconciliation

Includes: Entering eHEAT and matching SP accounting process to Financial Reporting requirements

Challenge: SP accounting systems are a mix of Accrual and cash accounting practices. EAP would prefer to have a consistent method of oversight for

#	Task	Description	Who	Deliverable
1.	Trigger: Household Requests Energy Related Repair or Replacement (ERR) Service	Household must be determined EAP eligible	HHD	<ul style="list-style-type: none"> Household ERR Request
2.	Determine ERR Response	Assess household's situation: <ul style="list-style-type: none"> Determine homeownership Validate no heat situation meets ERR definition Develop approach 	EAP SP ERR Staff	<ul style="list-style-type: none"> Determination of ERR need and eligibility Eligible ERR Event
3.	Enter ERR events in eHEAT	As they originate <ul style="list-style-type: none"> The event is entered to initiate the ERR benefit. Time is recorded in event record. (Typically tasks are not added but can to obligate funds) 	EAP SP Staff	<ul style="list-style-type: none"> Initiated Event eHEAT record
4.	Procure Mechanical Contractor(s) Proposal	<ol style="list-style-type: none"> Do physical inspection of furnace and dwelling Assess situations Estimate work 	EAP SP	<ul style="list-style-type: none"> Candidate Contractors Candidate Tasks with estimates
5.	Select Contractor & Enter ERR Tasks	Based on local process, select contractor & approve a work plan. Tasks are subsets of an event. The tasks require a contractor & cost estimate. Once the estimate is enter in the "Estimate" field, the amount pastes into the "Actual Cost" field & obligates the ERR funds from the SP budget line in eHEAT Grant module. Enter an "Inspection Tasks" & estimate.	EAP SP ERR Staff	<ul style="list-style-type: none"> Selected Contractor(s) Work Plan Entered Tasks <ol style="list-style-type: none"> For each contractor as needed Includes Inspection task ERR funds obligation
6.	Perform ERR events	Repair or replacement is performed by contractor(s)	Contractor(s)	<ul style="list-style-type: none"> Complete ERR services
7.	Request payment for service	Contractor submits SP invoice for payment from EAP Program. Contractor submits invoice with completion certificate. Certificate includes pressure testing information.	Contractor	<ul style="list-style-type: none"> Final cost Request for Payment (Invoice) Completion Certificate Pressure test results
8.	Approve Request & Enter Final Cost into eHEAT & Complete Tasks & Events	Once tasks are complete the distributions can be sent for payment. In the Maintain Event screen the SP can distribute event payments.	SP ERR Staff	<ul style="list-style-type: none"> Certifiable ERR payments (In 'Payment Services' Module in eHEAT Inspection Order (For selected)

#	Task	Description	Who	Deliverable
9.	Perform Inspections	Inspections are tasks. SPs should set up Inspection tasks with estimates to obligate money. Not all ERR are required to be inspected. Repairs are not, and SP's need to inspect 50% of replacements including at least one for each contractor.	Inspectors	<ul style="list-style-type: none"> Inspectors report Completed & Inspected event
10.	Certify eHEAT payments	<p>Review payment request and certify as ready to be paid. This is an approval by a program operative that can validate the payments. This validation is for fiscal people to know to go ahead with payments.</p> <ul style="list-style-type: none"> This is a review of files and job and required paper work to assure complete and legit job and billing matches work done 	SP EAP Payment Certifier	<ul style="list-style-type: none"> "Payable" ERR eHEAT payments as ay validation
11.	Pay Contractors (Process "Payables")	<ul style="list-style-type: none"> SP issues warrant/EFT payment to contractor with funds available allocated by NFA and cash request process eHEAT payments go from "Payable" to become "Payable" & "In Progress" once approved in eHEAT. Since there are a variety of accounting functions designed into eHEAT to accommodate automation, the SP can download payments & they become "payable through this process or the can execute this with a click of a button in eHEAT (See instructions) SP can manually, export or download list to move information to accounting. When downloaded, payment status becomes "In Progress" If not using download process, the status is converted from 'Payable' to "In Progress" by clicking 'Make Payable' button. This converts. 	Fiscal or EAP staff as designed Fiscal or EAP staff as designed locally	<ul style="list-style-type: none"> Payments to contractor as Warrant or EFT Warrant or EFT Date and Number
12.	Enter payment information in eHEAT	<p>Payment info in eHEAT requires Warrant or EFT date and number, when saved it marks payment as paid.</p> <ul style="list-style-type: none"> Enter the ERR paid by the end of the month on the FSR for the reported month 	Fiscal or EAP staff as designed Fiscal or EAP staff as designed locally	<ul style="list-style-type: none"> Paid ERR eHEAT record ERR paid amounts and dates

Reporting: Monthly Financial Status (FSR) report require the cumulative expenditures in the ERR fund category on the FSR must match eHEAT ERR paid on the last day of the reported month.

#	Task	Description	Who	Deliverable
1.	Compare & Reconcile eHEAT ERR payments to SP Accounting Record & Submit	<p>Energy Related Repair (ERR) cumulative expenditures on each FSR must equal the total "Paid" ERR Events/Tasks in eHEAT on the last day of the reported month."</p> <p>If necessary, complete needed steps to align eHEAT and Local fiscal activities</p> <ul style="list-style-type: none"> • The ERR FSR reported expenditures requirement is on a paid basis. SP enters for the reporting month the Local ERR expenditure • This may be a challenge for SPs depending on their accounting system records ERR activities for reporting on the FSR. SPs are not required to convert accounting systems, whether accrual or other than an accrual basis to meet the ERR FSR reporting requirements, but are required to provide data on the FSR best documenting the ERR activities paid to the date. • Enter FSR note on accrual information & explain discrepancies • SPs has until the 15th day (or next business day if the 15th falls on a weekend or holiday) after the reported month to correct and/or submit an accurate FSR 	Fiscal or EAP staff as designed locally SP Fiscal Staff	<ul style="list-style-type: none"> • Reconciled eHEAT ERR information and SP Fiscal Activity information • Amount to enter into FSR • Submitted FSR • FSR "Service Provider Notes" must adequately explain any discrepancies
2.	Review submitted FSR	<ul style="list-style-type: none"> • An FSR is not accepted if the eHEAT ERR total paid amounts on the last day of the month do not match the cumulative ERR total on the FSR for the month or the FSR "Service Provider Notes" does not explain reason for discrepancies • An FSR not meeting this requirement is "Re-Opened" with a "State Fiscal Notes" stating "Please review your FSR ERR activities against eHEAT ERR paid and note the difference in your SP Notes." 	DOC Fiscal	<ul style="list-style-type: none"> • Approved FSR OR • Request for resubmission of FSR (Incomplete FSR) • SP should review recalculate FSR as needed to accomplish required match. Recalculate and Resubmit FSR (If needed)
3.	Late Report Process	Late or inaccurate FSRs are subject to the TIMELINESS AND ACCURACY OF REPORTS provisions of FFY 2009 EAP Policy Manual, Chapter 18 – Information and Reporting	DOC Late Report Monitor	<ul style="list-style-type: none"> • SP compliance finding • Denial of cash requests • Denying requests for additional funds