

IMPORTANT NOTICE

New Information Regarding the Grant/Entitlement Revenues Closing Package

Based on recent discussions with the staff of the Governmental Accounting Standards Board, the Comptroller General's Office has determined that **all** Federal grants include the reimbursement eligibility requirement unless the grant has an indefinite time period during which the funds may be spent. That is, for purposes of the Grant/Entitlement Revenues Closing Package, **all Federal grants are considered reimbursement basis grants**. Expenditures, therefore, must be incurred prior to recognizing revenue or reporting a grant receivable. This is contrary to the grant example provided in the April 30/May 2 agency training sessions and contrary to the memorandum issued April 26 on the subject of "Policy Statement—Accounting for Grants." (The training session example did not include the reimbursement eligibility requirement.) **Please disregard the training session grant example**. A new example that encompasses the new information has been included in the Grant/Entitlement Revenues Closing Package instructions. **The revised Grant/Entitlement Revenues Closing Package instructions supersede the April 26 policy memorandum.**

Additionally, during the April 30/May 2 training sessions, it was also announced that the Grants Analysis Worksheet would no longer be required. Because all Federal grants are considered reimbursement basis grants for closing package purposes, the **Grants Analysis Worksheet is still required**.

Due to the changes required by GASB Statement 33 and the confusion related to the classification of Federal grants (all reimbursement basis), it is extremely important that you read the Grant/Entitlement Revenues Closing Package instructions in their entirety to ensure that you properly complete the closing package.

******The new grant revenue object codes are unaffected by these closing package changes.******