

# Addendum to the GMS User Guide for GMS Financial Status Reports Module (SF-425) for Recipients

## Completing Financial Status Reports (SF-425) for VOCA Victim Compensation Grantees

This document supplements the [GMS User Guide for GMS Financial Status Reports Module \(SF-425\) for Recipients](#) to add specific notes for Office for Victims of Crime grantees under the Victims of Crime Act (VOCA) Victim Compensation Formula Grant Program, and a description of this program's unique financial reporting requirements.

Victim compensation grantees with further questions are advised to contact their Grant Manager and/or the OCFO Customer Service desk at 1-800-458-0786 (option 2) or [ask.ocfo@usdoj.gov](mailto:ask.ocfo@usdoj.gov) for assistance.

### The following SF-425 fields require close attention for VOCA Compensation grants:

- **Line 10e:** Enter the amount of the federal fund expenditures (*i.e., VOCA Compensation grant funds expended*) during the reporting period. GMS will calculate the previously reported and cumulative amounts.

How you report expenditures depends on whether your program uses the *Cash Basis* or *Accrual Basis* accounting method:

#### Cash basis expenditures include:

- Cash payments made with Federal dollars to or on behalf of victims (*i.e., compensation payments*);
- Cash used to reimburse state funds for payments made to or on behalf of victims;
- Cash disbursements for direct administrative or training costs; and
- The amount of indirect expenses *charged*.

#### Accrual basis expenditures include:

- Cash payments made with Federal dollars to or on behalf of victims (*i.e., compensation payments*);
- Liabilities recorded against the Federal dollars for payments made to or on behalf of victims;
- Cash disbursements for direct administrative or training costs;
- The amount of indirect expenses *incurred*; 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.

- **Line 10f:** Enter the cumulative amount of the federal share of unliquidated obligations. (Definitions in main document.)
- **Line 10i:** Enter total match requirements by the recipient for the award. *VOCA Victim Compensation awards do not have a match requirement, so enter zero. OVC does not collect information about State payments used to determine future VOCA Victim Compensation awards via the SF-425 (FFR), but rather, via the Victim Compensation Certification (VCC) form required during the annual VOCA Compensation grant application process.*
- **Line 10j:** Enter the recipient match provided for this period. *VOCA Victim Compensation awards do not have a match requirement, so enter zero.*
- **Line 10k:** GMS calculates this field by subtracting line 10j from line 10i.
- **Line 10l:** Enter the amount of federal program income earned this period. *Recoveries, refunds, restitution, and subrogation are not program income for the purposes of the VOCA Victim Compensation Program, and are not reported as such on the SF-425 (FFR).*
- **Line 10m:** OJP does not require recipients to complete this field. This is not an active field.
- **Line 10n:** 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 for this period. *Recoveries, refunds, restitution, and subrogation are not program income for the purposes of the VOCA Victim Compensation Program, and are not reported as such on the SF-425 (FFR).* If this is a final report, this field is required – you may enter zero.
- **Line 10o:** GMS calculates this field by subtracting line 10n from line 10l.

*Note: If the report to be submitted is the final SF-425, the Program Income section (lines 10l through 10o) must be completed. Based on the nature of the program, OJP anticipates the majority of VOCA Victim Compensation recipients will not report program income. Grantees who believe they have program income to report are encouraged to speak with their grant manager*

- **Line 12:** Enter remarks deemed necessary to further explain the financial information provided in the report. Recipients may also attach supporting documentation in the Attachments section. *This field is generally optional for VOCA Victim Compensation grantees.*

## **Discussion of how VOCA Victim Compensation Awards Differ from Other Federal and DOJ Awards in the Context of Financial Reporting**

Four primary documents govern the financial management requirements of VOCA Victim Compensation grant awards:

1. VOCA Statute, at [34 U.S.C. § 20102](#);
2. VOCA Victim Compensation [Final Program Guidelines](#);
3. [DOJ Grants Financial Guide](#); and
4. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, at [2 C.F.R. § 200](#).

The primary purpose of VOCA Victim Compensation grants is to supplement state efforts to provide financial assistance and reimbursement to crime victims throughout the nation for costs associated with crime, and to encourage victim cooperation and participation in the criminal justice system.

The statute requires OVC to make an annual grant to eligible crime victim compensation programs of 60 percent of the amounts awarded (from state/territory funds) during the preceding fiscal year, other than amounts awarded for property damage. Other than 5 percent of the award amount, which may be used for administrative and training purposes, grant funds may be used only for awards of compensation. OVC calculates the grant amount based on the Victim Compensation Certification (VCC) form, which must be completed during the annual application process. Accuracy in completing the VCC form is critical because it affects future award amounts, and errors can result in future funds offset or recoveries by OVC. (See VCC Instructions for detailed information on that form.)

The statute prohibits grantees from using the VOCA grant to supplant state funds otherwise available to provide crime victim compensation or to administer the state crime victim compensation program. The Final Program Guidelines clarify, however, that the expenditure of VOCA funds received based on state certified payouts from previous years does not constitute supplantation. (The VOCA formula takes into account state funding reductions by reducing future federal awards.) Consequently, reimbursing state compensation payments from federal VOCA Compensation funds is allowable.

The Final Program Guidelines and the DOJ Grants Financial Guide both explicitly provide that, for the VOCA Victim Compensation Program, there is no financial requirement to identify the source of individual payments to crime victims as either federal or state dollars, nor is there any requirement that restitution recoveries or other refunds be tracked as either federal or state dollars paid out to victims. However, the state agency administering funds under this program must have in place an adequate accounting system to capture and track all financial transactions related to the victim compensation grant; and upon request, must provide authorized representatives with access to and the right to examine all records, books, paper or documents related to the victim compensation grant.

Recoveries and refunds of compensation payments occasionally create accounting discrepancies between the SF-425 and the VCC, depending on the state's accounting method and practices. In the ordinary course, OVC does not expect recoveries and refunds to be credited back any specific account, nor does it expect states to amend their SF-425 to account for these recoveries or refunds. Typically, such recoveries and refunds would be reported on the VCC for the reporting period when the recovery or refund was accounted for, and would be deducted from the payment expenditures reported in that reporting period, thus resulting in a lower future VOCA grant. (Compensation programs that track payments by source accounts may be able to credit those accounts for recoveries and refunds, and adjust the SF-425 to reduce federal expenditures. This is permissible, but not advisable, particularly for recoveries that do not occur in the same federal fiscal year as the payment, because it may create the appearance of excess cash and may result in discrepancies between the SF-425 and VCC.)

Because there is no requirement that states identify individual payments as being made from either federal or state dollars, states are permitted to make compensation payments from a state account and then reimburse that account with federal grant funds. When taking this direction, states should take care to report expenditures on the SF-425 in accordance with their cash or accrual basis election and the guidance provided earlier in this document.