
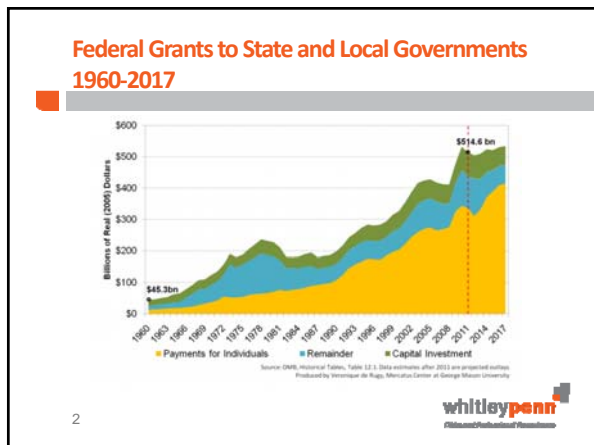


Schedule of Expenditure of Federal Awards (SEFA)

TACA Fall Conference
October 21, 2015






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Uniform Grant Guidance – 2 CFR 200

- December 2013, OMB released final guidance on administrative requirements, cost principles, and audit requirements for federal awards
- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*
- Supersedes and streamlines eight OMB circulars into one document
- Audit requirements will be effective for Single Audits of years beginning on or after January 1, 2015 (December 31, 2015, year-end Single Audits)
- Other requirements will affect federal awards and funding drawdowns made on or after January 1, 2015.



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Uniform Grant Guidance – 2 CFR 200

- All related OMB guidance has been combined in one location – 2 CFR 200
 - Administrative requirements (A-102, A-110)
 - Federal cost principles (A-21, A-87, A-122)
 - Single Audit (A-50, A-89, A-133)
- To eliminate overlapping, duplicative, and conflicting provisions

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SEFA Requirements

- Auditee must prepare a SEFA for the period covered by the auditee's financial statements
- The auditee may provide information to make the schedule easier to use
 - For Federal programs with multiple awards year – listing the amount of Federal awards expended for each Federal award year separately

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SEFA Requirements

- List programs by Federal agency
- For clusters of programs, provide the cluster name, list the individual programs within the cluster of programs, and provide the applicable Federal agency name
- For R&D, total federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency

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SEFA Requirements

- Federal awards received as a subrecipient – the name of the pass-through entity and identifying number assigned by the pass-through entity
- Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA number is unavailable
- For a cluster of programs also provide a total for the cluster

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SEFA Requirements

- Provide the total amount provided to subrecipients from each Federal program
- For loan and loan guarantee programs, identify in the notes to the schedule the balances outstanding at the end of the audit period
- Note whether or not the audit elected to use the 10% de minimis indirect cost rate

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SEFA Requirements

- The value of the federal awards expended in the form of noncash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at yearend
- Notes describing the significant accounting policies and basis of accounting used in preparing the schedule

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Auditor Requirements

- Form an opinion on whether the SEFA is fairly presented, in all material respects, in relation to the financial statements as a whole
 - Information contained in the SEFA was derived from underlying accounting and other records
 - Period covered is the same as the financial statements
 - Neither an adverse nor a disclaimer of opinion was issued on the financial statements
 - The SEFA accompanied the financial statements or will be made readily available

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Auditor Requirements

- Obtain and document an understanding of internal control over preparation of the SEFA
 - Accuracy of the CFDA numbers
 - Accuracy and completeness of expenditure amounts
- Obtain a copy of the SEFA
- Inquire of management
 - Criteria used to prepare the SEFA
 - Significant assumptions that underlie the measurement and presentation of the information

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Auditor Requirements

- Determine that form and content of the information complies with OMB Circular A-133 or 2 CFR 200
- Determine reasons for changes in preparing the SEFA from those used in the prior period (if applicable)
- Read the SEFA and related notes for clarity, understandability, and consistency
- SEFA and related notes are presented in accordance with GAAP

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Auditor Requirements

- Required disclosures are complete, clearly expressed, and understandable
- Test mathematical accuracy of the SEFA
- Compare and reconcile information presented in the SEFA and notes to records used in preparing the financial statements or to the financial statements themselves
- Compare the SEFA to the prior year SEFA

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Auditor Requirements

- Test the accuracy of the CFDA numbers and names of awarding agencies by comparing them to –
 - The compliance supplement
 - Information on www.cfda.gov
 - Underlying grant records

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Identify Federal Programs

- Award amount
- Grant title
- Federal program name
- Award number
- Federal agency
- Catalog of Federal Domestic Assistance (CFDA) Number
- Award period
- Extensions or amendments to the grant?
- Is the grant for research and development?
- Name of pass-through agency and number

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Pass-through Entities

- Required to separately identify to each subrecipient, through documentation at the time of the subaward and upon each disbursement of funds
 - Federal award number
 - CFDA number
 - Amount of Recovery Act funds

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SEFA Minimum Information

ABC ORGANIZATION'S SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2011 *

Federal Grantor/Pass-through Grantor/Program or Cluster Title ⁽¹⁾	Federal CFDA Number ⁽²⁾	Pass-through Entity/Identifying Number ⁽²⁾	Federal Expenditures
U.S. Department of Health and Human Services Direct programs			
Head Start (NOTE)	99-600		\$ 437,000
(C)			
ARSA-Head Start	99-708		125,000
U.S. Department of Health and Human Services direct programs and Total Head Start Cluster			562,000
Pass through programs from			

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Notes to the SEFA

ABC ORGANIZATION'S NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2011

NOTE A—BASIS OF PRESENTATION⁽¹⁾
 The accompanying **schedule of expenditures of federal awards** (the Schedule) includes the federal grant activity of ABC Organization under programs of the federal government for the year ended June 30, 2011. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a selected portion of the operations of ABC Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of ABC Organization.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
 (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-133, Cost Principles for Non-Profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
 (2) Pass-through entity identifying numbers are presented where available.

NOTE C—SUBRECIPIENTS
 Of the federal expenditures presented in the schedule, the Organization provided federal awards to subrecipients as follows:

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Nonfederal Awards

- To meet state or other requirements, an auditee may include nonfederal awards, however, they should be segregated and clearly designated as nonfederal
- The title of the schedule should be modified to indicate that nonfederal awards are included
- Auditor's report should reference the correct title
- Nonfederal awards may be included in a separate schedule (ex. Schedule of Expenditures of State Awards)

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American Recovery and Reinvestment Act

- Expenditures of Recovery Act funds should be separately identified on the schedule and include the prefix "ARRA-" with the name of the federal program

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Optional But Recommended Info

- As a general rule, the more information provided in the schedule, the fewer the follow-up call from federal agencies
- Where the same program (e.g., same CFDA #) from different program years may be combined and reported on one line, where feasible, presenting each program year separately makes the schedule more useful to grantors

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Optional But Recommended Info

- It may be desirable to include a note to the schedule reconciling to the amounts shown by the grantor.
- Include in the schedule or disclose in the notes any interest subsidy or administrative costs allowance received under federal loan or loan guarantee programs
- When unable to determine the federal portion of a contract or grant agreement, report the entire amount as federal and explain why in a note disclosure

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Optional But Recommended Info

- Amount of the program award and time period of the award
- Matching contributions
- Receipts or revenue recognized
- Beginning and ending balances (unexpended amounts or accrued revenue)
- Individual contract and grant numbers and amounts
- Program income

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Reconciliations are Important!



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Schedule of Expenditure of Federal Awards

- Grantors will be reconciling their payment records to your SEFA
- If grant spans across multiple fiscal years, the sum of what is reported on the SEFAs should agree to grantor payment reports
- Grantors are usually not going to take the time to consider accruals, they focus on cash basis

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Common Deficiencies in the SEFA

- Schedule did not:
 - Reconcile to the financial records
 - Indicate whether awards were direct or pass-through
 - Clearly indicate total federal expenditures and/or federal expenditures by program
 - Contain required information related to the federal agency and pass-through entities, including CFDA number or other identifying number

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Common Deficiencies in the SEFA

- Schedule did not:
 - Disclose the basis of accounting used
- Schedule had inadequate notes (and sometimes no notes)
- Audit documentation did not indicate what procedures were performed related to the SEFA
- Auditor failed to modify opinion when SEFA was missing information

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Report on National Single Audit Sampling Project

- Subgrant award numbers assigned by pass-through were not included in the schedule
- Names of the pass-through entities, grantor federal agencies or subdivisions were missing
- Multiple lines for CFDA numbers were shown but not totaled
- Programs that were parts of a cluster were not shown as such

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Report on National Single Audit Sampling Project

- Notes to the schedule were missing
- Correct CFDA number was not reported
- Research and development (R&D) programs were not identified as such

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Federal Audit Clearinghouse

- The SEFA is part of the reporting package submitted to the FAC
- Due the earlier of 30 calendar days after receipt of the auditor's report or nine months after fiscal yearend
- Both the auditee and auditor certify the submission
- All Federal agencies, pass-through agencies and others interested in the reporting package and data collection form can obtain it by accessing the FAC

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SEFA Disclosure Checklist

- Does the SEFA do the following:
 - List individual programs by federal agency?
 - Separately list programs with expenditures of Recovery Act awards?
 - Include the CFDA number and the name for each program?
 - Show the total federal awards expended for each federal program?

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SEFA Disclosure Checklist

- Does the SEFA do the following:
 - For R&D clusters, list federal awards expended either by individual award or by federal agency and major subdivision within the agency?
 - For all other clusters of programs, list the individual awards within the cluster?
 - Include the name of the pass-through entity and identifying number for subrecipient awards?

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SEFA Disclosure Checklist

- Does the SEFA do the following:
 - Identify the total amount provided to subrecipients from each federal program? (Disclosing in the notes to the SEFA is an option)
- Do notes to the SEFA describe the significant accounting policies used in preparing the SEFA and the basis of accounting?

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SEFA Disclosure Checklist

- Does the SEFA or a note to the SEFA include the value of federal awards expended in the form of:
 - Noncash assistance?
 - The amount of insurance in effect during the year?
 - The amount of loans or loan guarantees, including interest subsidies, outstanding at year end?
- Does the SEFA include other information required by federal awarding agencies and pass-through entities?

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SEFA Disclosure Checklist

- If nonfederal awards are included:
 - Is the data clearly segregated and identified as non-federal?
 - Is the title modified to indicate that non-federal awards are included?

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