

Schedule of Expenditures for Federal Awards (SEFA)

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SEFA

What is it?

Why do we do it?

How do we do it?

FAQ's and other odds & ends



What is the SEFA?

Schedule of Expenditures of Federal Awards

- Contains any federal awards received directly from the federal government or through a thirdparty (non-UT state agency).
- Both cash and non-cash financial assistance are included.
 - Non-cash examples: personal property, food, medical supplies.





Why do we prepare the SEFA?



Compliance

- Compliance Supplement summary of compliance requirements for significant grants
 - Published annually by the Federal Office of Management and Budget (OMB)
- ▶ Required by Uniform Guidance <u>2 CFR 200.510(b)</u>.

Single Audit

- ▶ The state auditors use it in conducting the single audit.
- Provides assurance to the Federal Government that a nonfederal entity has adequate internal controls in place and is generally in compliance with program requirements.



2 CFR 200.510(b) of the Uniform Guidance



- 2 CFR 200.510(b) provides a list of minimum requirements that the
 schedule must include. Some of these items are provided by the
 Agencies, and some of them are determined or completed by the
 Division of Finance, based on the information the Agency provides.
 - Grants may have additional requirements per the compliance supplement
 - Therefore, it is essential that Agencies ensure complete and accurate information on their Agency SEFA sheet.



Using the Compliance Supplement

ADVICE DIRECTIONS DIRECTIONS

https://www.whitehouse.gov/omb/office-federal-financial-management/

- ▶ How auditors use the document to determine which requirements to test
- ▶ The key compliance features of OMB's cross-cutting administrative and cost policies
- ► The federal grant programs and clusters that have unique requirements that must be tested
- ▶ The various types of documentary evidence likely to be sought by auditors
- ► How OMB and the agencies have designated "higher risk" programs including those enacted in response to the COVID-19 pandemic, such as the American Rescue Plan Act (ARPA)
- ▷ The latest available risk alerts and policy clarifications









We have transitioned the Agency SEFA collection and the Status of Prior Year Findings to the Wdesk platform.



Preparing Your Agency SEFA

Step 1

Steps 2-4

Step 5

SEFA Data Collection

- De Minimis Indirect Cost Rate
- EIN
- UEID's

Reconciliation of Federal

Expenditures to Revenues

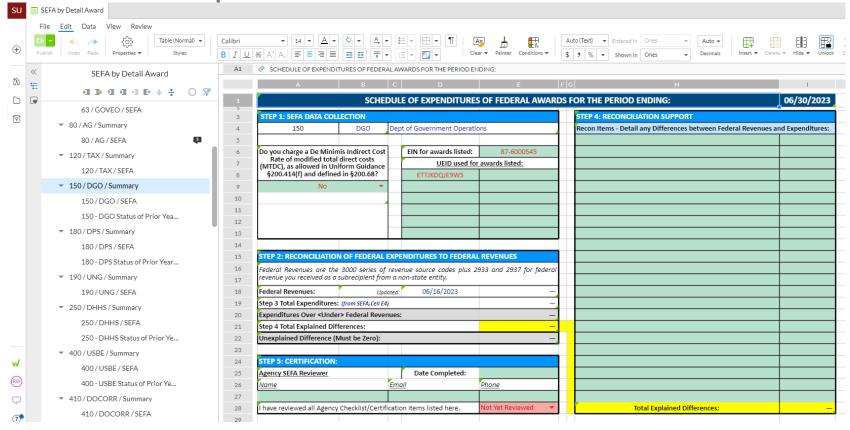
- Step 2 Reconciliation; double-check Federal Revenues
- Step 3 Enter Federal expenditure data on Agency SEFA tab.
- Step 4 List of reconciling items

Certification

- Date completed
- Contact info for Agency SEFA Reviewer
- · Certification of review



Example of SEFA Summary Tab: Steps 1-5



Step 1: SEFA Data Collection

STEP 1: SEFA DATA COLLECTION								
150	DGO	Dep	Dept of Government Operations					
Do you charge a De Minimis Indirect Cost			EIN for awards listed:	87-6000545				
Rate of modified total direct costs (MTDC), as allowed in Uniform Guidance		UEID used for awards listed:						
§200.414(f) and defined in §200.68?			ETTJKDQJE9W5					
No	-							

Steps 2-4: Reconciliation of Federal Expenditures to Federal Revenues

STEP 2: RECONCILIATION OF	FEDERAL EXPEND	ITURES TO FEDERA	AL REVENUES		
Federal Revenues are the 3000 series of revenue source codes plus 2933 and 2937 for federal revenue you received as a subrecipient from a non-state entity.					
Federal Revenues:	Updated:	06/16/2023	_		
Step 3 Total Expenditures: (fro	_				
Expenditures Over <under> Federal Revenues: —</under>					
Step 4 Total Explained Differences:			_		
Unexplained Difference (Must	be Zero):		_		

STEP 4: RECONCILIATION SUPPORT				
Recon Items - Detail any Differences between Federal Revenues and Expenditures:				
Total Explained Differences:	_			

Reconciling Federal <u>Revenue and Expenditures</u>

- Reconciliations need to be explained down to \$0.
- You can lump miscellaneous reconciling items into one "Misc" line item for your reconciliation. However, you need to be able to explain/document each reconciling item that makes up the Misc total.
- ▷ If in doubt, contact Finance to discuss.



odds

Reconciling Items, Examples

Program Income:

- Gross income earned by the recipient during the funding period as a direct result of a supported activity or earned as a result of the Federal award
- Expenditures should equal total program income + federal revenue

Reimbursement of Prior Year Expenditures:

- Reduces Federal Draw
- Funds expensed in a prior year are returned in the current year and netted against current year expenditures.

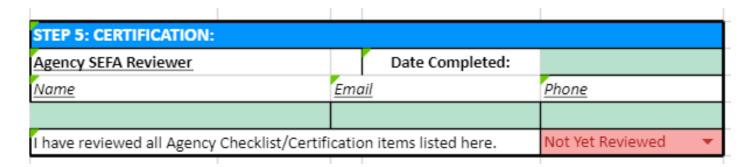




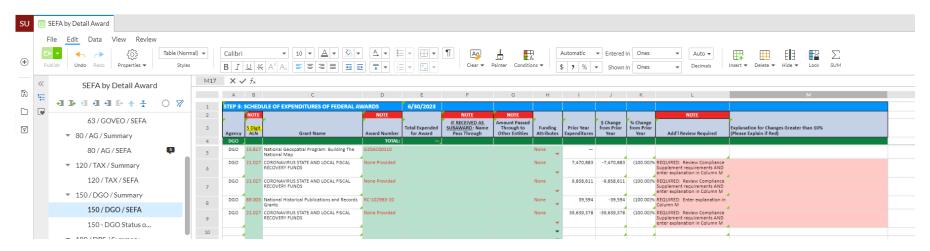
Accruals

Accrued liabilities or receivables

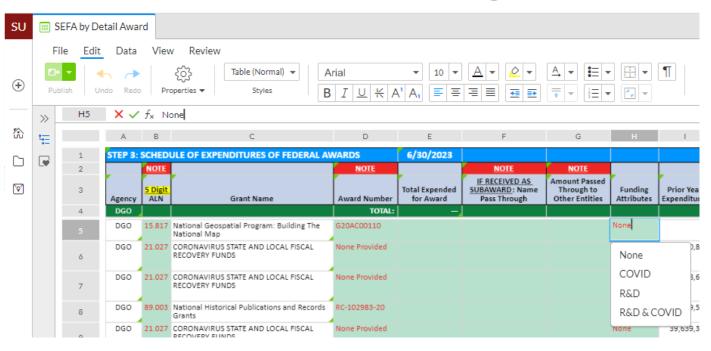
Step 5: Certification



Example of SEFA Tab



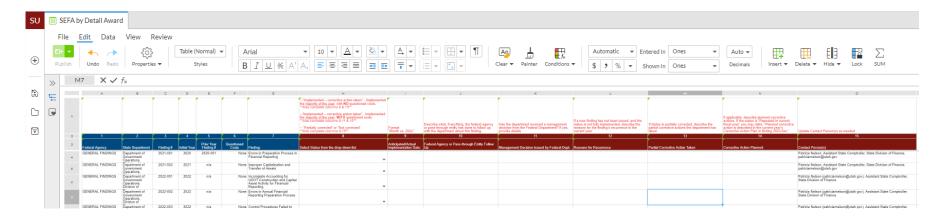
SEFA Data Entry (green) – Award Info, Expended Amt, Pass Through & Attributes



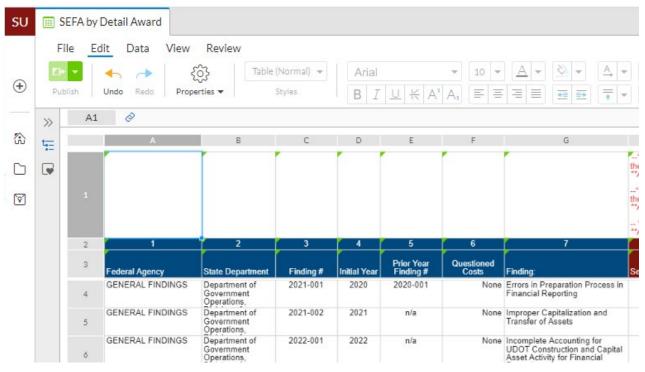
SEFA Data Entry (red) – Add'l Review & Explanations



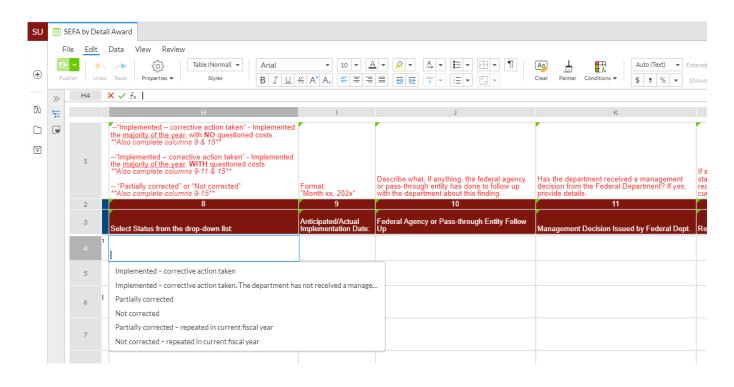
Status of PY Findings



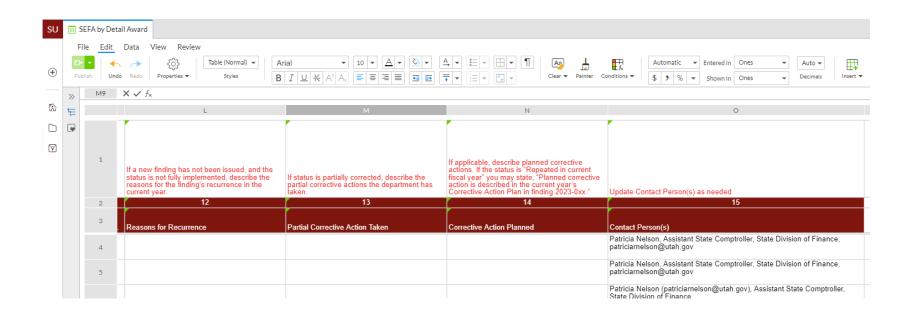
SEFA #1-7 (blue) – Finding Info (no data entry)



SEFA #8-11 (red): Status & Fed Follow Up



SEFA #12-15 (red): Corrective Action & Contacts



Status of Prior Year Findings

- Now in Wdesk
- Due: August 11, 2023 (same due date as SEFA)
- 2 CFR 200.511(b) "Summary schedule of prior audit findings: https://www.ecfr.gov/current/title-2/section-200.511
 - Must report the status of all audit findings for the previous year (SFY2022)
 - Must also include the status of audit findings earlier than the previous year except for
 - Audit findings that are fully corrected
 - Audit findings that do not warrant further action if all 3 of these criteria are met
 - Two years have passed since the audit report in which the finding occurred was submitted to the FAC;
 - The Federal agency or pass-through entity is not currently following up with the auditee on the audit finding; and
 - A management decision was not issued.



Status Categories

- Implemented corrective action taken
 - Only need to list the finding and state that corrective action was taken
 - o Implemented for the majority of the year, not just as of June 30th
- ▶ Implemented corrective action taken. The department has not received a management decision regarding the questioned costs.
 - This helps us know when the finding can be removed from the report
 - o If there is a finding with questioned costs, the finding can only be removed from the report by a management decision letter or meeting the 3 criteria
- Partially corrected or Not corrected
 - Must describe reasons for recurrence
 - Must describe planned corrective action and any partial corrective action taken
 - Must include the initial year that the finding occurred



Corrective Action Plan

When deciding what to include, consider the audience of the report, e.g, the public, higher level report users. Explanations may not need to be super technical.

Must include

- o the name(s) of the contact person(s) responsible for corrective action
- the corrective action planned
- o the anticipated completion date
- explanation and specific reasons if the auditee does not agree with the audit findings or believes corrective action is not required

 If corrective action taken is significantly different from what was previous reported, must provide an explanation

Questioned Costs

- If the questioned costs are waived or otherwise disposed of by the federal awarding agency, provide Finance a copy of the management decision letter.
- If the questioned costs are repaid, please state the reason why and provide any management decision letter. Also enclose either copies of the check or federal report or provide written detail of when and how the questioned costs were repaid.
- ▶ If the questioned costs have not been addressed with the federal awarding agency, report that you have not received a management decision letter regarding the questioned costs.



UEID (Unique Entity ID)



- ▶ The Unique Entity ID is the official identifier for doing business with the U.S. Government (Replaced DUNS)
 - Entities registering in SAM.gov are assigned a Unique Entity ID as a part of the registration process
 - Entity uniqueness and entity core data are validated during the SAMS registration process.
 - Uniqueness is based on an entity being a separate legal entity associated with a separate physical address.
 - Based on the uniqueness determination, a
 Unique Entity ID is assigned to that entity.



Sub-recipient Reporting

- Sub-recipient versus Contractor
 - ▷ Sub-recipient: Determines eligibility, Makes decisions
 - Contractor: Provides goods or services, follows the directions of the recipient.
 - Click here for additional information on subrecipient and contractor determinations.
 - Click here for Sample Checklist



Odds

Key Definitions

- Subaward: an award provided by a pass-through entity to a subrecipient in order for the subrecipient to carry out part of a Federal award that was received by the pass-through entity. A subaward does not include payments to entities designated as contractors or payments to an individual. One of the more important parts of this definition is the last part which reads that a subaward may be provided or take the form of any legal instrument, even including those legal instruments that the pass-through entity calls a contract.
- Pass-Through Entity: any non-Federal entity that provides a subaward to as subrecipient. (2 CFR 200)
- Sub-Recipient: a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program, but does not include an individual.
- Contract: a legal instrument by which a non-Federal entity purchases goods/services. The term contract does not include a legal document, when the substance of the transaction meets the definition of an award or subaward.
 - A contract goes to a contractor, a subaward goes to a subgrantee.
- ▶ **UEID:** The Unique Entity ID is the official identifier for doing business with the U.S. Government.



FAQ

- 1. How does being a subrecipient of another state agency or component unit impact what is reported on the SEFA? Should subrecipient revenue be recorded as an Expendable Receipts?
 - Except for ARPA funds, the agency that is awarded the funds reports the expenditures.
- 2. How should grants with a COVID-related portion be reported on the Agency SEFA?
 - ▶ The Covid-related portion of funding must be reported separately on its own line.
- 3. Can grants with the same ALN be combined even if they have multiple programs?
 - ▷ Group grants by ALN, even if they have multiple programs (except for #2 above).
- 4. What level of backup needs to be provided to Finance with our SEFA submission?
 - You only need to submit to Finance what is asked for in the Wdesk forms. You need not submit any other backup to Finance. However, you should retain documentation for audit/review purposes that supports your Wdesk submission.
- 5. Why do the significant changes in expenditures from prior year have to explained?
 - > This helps determine the completeness and accuracy of the information provided.
 - Make sure you understand what the variances are and provide enough information to adequately explain the variance.

SEFA and Status of Prior Year Findings

DUE: August 11, 2023





Contacts

- ▶ For questions about the SEFA and Schedule of Prior Year Audit Findings, including how to enter these in Wdesk:
 - o Rebekka Wilkinson, <u>wilkinsonr@utah.gov</u>, 801-957-7715
- For Workiva Wdesk access requests or trouble logging in:
 - Kristina Saunders, <u>kbsaunders@Utah.gov</u>





Thank You