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Common SEFA Reporting Errors

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SENIOR MANAGER

What will we cover

What is SEFA

Required SEFA content

Common SEFA errors

SEFA challenges

FAC submissions

Key reminders, let's put a bow on this!



Schedule of Expenditures of Federal Awards (SEFA)

ITS WHAT DRIVES THE AUDIT!

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

Federal Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services:				
COVID-19: Provider Relief Fund and American Rescue Plan Rural Distribution:	93.498	Not applicable	\$ 778,408	\$ -
Total 93.498			778,408	-
Total U.S. Department of Health and Human Services			778,408	-
Total expenditures of federal awards			\$ 778,408	\$ -

SEFA is the primary view of federal awards for federal agencies and pass-through entities



Provides a picture of all federal money for which the entity is responsible



Feeds electronic accumulation of data for government-wide monitoring of it's awards



Primary responsibility of management

Supplemental Schedule to the financial statements

❑ “in-relation-to” opinion

- the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole
- compare and reconcile information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS

Electronic CFR-

Title 2/Subtitle A/Chapter 200/ Part 200



Displaying title 2, up to date as of 11/17/2023. Title 2 was last amended 10/23/2023.

Enter a search term or CFR reference (eg. fishing or 1 CFR 1.1)

[Title 2](#) / [Subtitle A](#) / [Chapter II](#) / [Part 200](#) / [Subpart F](#) [View Full Text](#)



ECFR CONTENT

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Timeline

Go to Date

- ▼ **Title 2** Grants and Agreements
 - ▼ **Subtitle A** Office of Management and Budget Guidance for Grants and Agreements
 - ▼ **Chapter II** Office of Management and Budget Guidance
 - ▼ **Part 200** Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
 - ▼ **Subpart F** Audit Requirements
 - ▶ General
 - ▶ Audits
 - ▶ Auditees
 - ▶ Federal Agencies
 - ▶ Auditors
 - ▶ Management Decisions

2CFR Frequently Asked Questions

- Published May 3, 2021
- 146 Questions and Answers

https://www.cfo.gov/assets/files/2CFR-FrequentlyAskedQuestions_2021050321.pdf



SEFA rules to follow

- ☐ Supplementary Information AU-C 725
- ☐ Auditee Responsibility 200.508
- ☐ Financial Statements 200.510
- ☐ Auditor's Responsibility 200.515

Another useful rule

Basis for determining when expended – 200.502

Federal Awards	Basis for Determining When Expended
Grants, cost reimbursement contracts, compacts with Indian tribes, cooperative agreements under the Federal Acquisition Regulations (FAR), and direct appropriations	When the expenditure or expense transactions occur
Amounts provided to subrecipients	When the disbursement is made to the subrecipient
Loan and loan guarantees	When the loan proceeds are used by the nonfederal entity
Donated property, including donated surplus property	When the property is received

Govt. Auditing Standards and Single Audits Table 7-1

Another useful rule

Basis for determining when expended – 200.502

Federal Awards	Basis for Determining When Expended
Food commodities	When the food commodities are distributed or consumed
Interest subsidies	When amounts are disbursed entitling the entity to the subsidy
Insurance	When the insurance is in force
Endowments	When federally restricted amounts are held
Program income	When received or used

Govt. Auditing Standards and Single Audits Table 7-1

Another useful rule

Value of noncash awards – 200.502

Type of Federal Financial Assistance	Basis Used to Determine the Value of Federal Awards Expended
Loans and loan guarantees (loans), including interest subsidies	the value of new loans made or received during the audit period plus the beginning of the audit period balance of loans from previous years for which the federal government imposes continuing compliance requirements, plus any interest subsidy, cash, or administrative cost allowance received.*
Insurance	Amount expended equals the fair value of the insurance contract at the time of receipt or the assessed value provided by the federal agency.

Govt. Auditing Standards and Single Audits Table 7-2

* Refer to Table 7-2 for additional info concerning loans to IHE

Another useful rule

Value of noncash awards – 200.502

Type of Federal Financial Assistance	Basis Used to Determine the Value of Federal Awards Expended
Endowments	Amount expended equals the cumulative balance of federal awards for endowment funds that are federally restricted in each audit period in which the funds are still restricted.
Free rent	Amount expended equals the fair value at the time of receipt or the assessed value provided by the federal agency. Free rent is not considered an award expended unless it is received as part of an award to carry out a federal program.

Govt. Auditing Standards and Single Audits Table 7-2

The Required SEFA Content

Auditee must prepare in accordance with 2 CFR 200.502 – Schedule face

- ❑ List individual federal programs by federal agency
- ❑ Name of the PTE and the identifying number assigned by the PTE
- ❑ Provide the total federal awards expended for each individual federal program and the assistance listing number (ALN)

Auditee must prepare in accordance with 2 CFR 200.502 – Schedule face

- ❑ Total amount of federal awards expended for loan or loan guarantee programs
- ❑ Total amount provided to subrecipients from each federal program

Auditee must prepare in accordance with 2 CFR 200.502 – Notes to schedule

- ☐ Significant accounting policies used to prepare SEFA
- ☐ Whether or not auditee elected to use the 10% de minimis cost rate covered in 200.414
- ☐ For loans or loan guarantee programs, the balances outstanding at the end of the audit period



Common Errors

FOLLOW THE INSTRUCTIONS

Common SEFA errors

- Incorrect or missing ALN
- Names of pass-through entities omitted
- Missing pass-through contract number
- Federal Agency names missing
- Clusters not shown as such
- Creating your own clusters

Common SEFA errors

- Notes to SEFA missing
- Reference to SEFA notes is missing
- Non-cash awards missing
- Improper basis for determining when awards expended
- Improper reporting of loans
- Subtotals missing for ALN, federal agency, cluster or totals



SEFA Challenges

WE GOT THIS!

SEFA Challenges

❑ Out-of-Period Issues

- PRF amounts on SEFA align with report submissions to the PRF Reporting Portal
- ESF/HEERF and PRF allowing institutions to go back to fiscal 2020 and grab expenditures/lost revenue

❑ COMPLETENESS

- Educations' use of one AL# with alpha characters

SEFA Challenges

- ❑ Identification of COVID-19 funding on the face
 - ESF subprograms are required to be identified separately on the SEFA and DCF by the AL# and alpha character
- ❑ Determining when awards exist

SEFA Challenges – What am I?

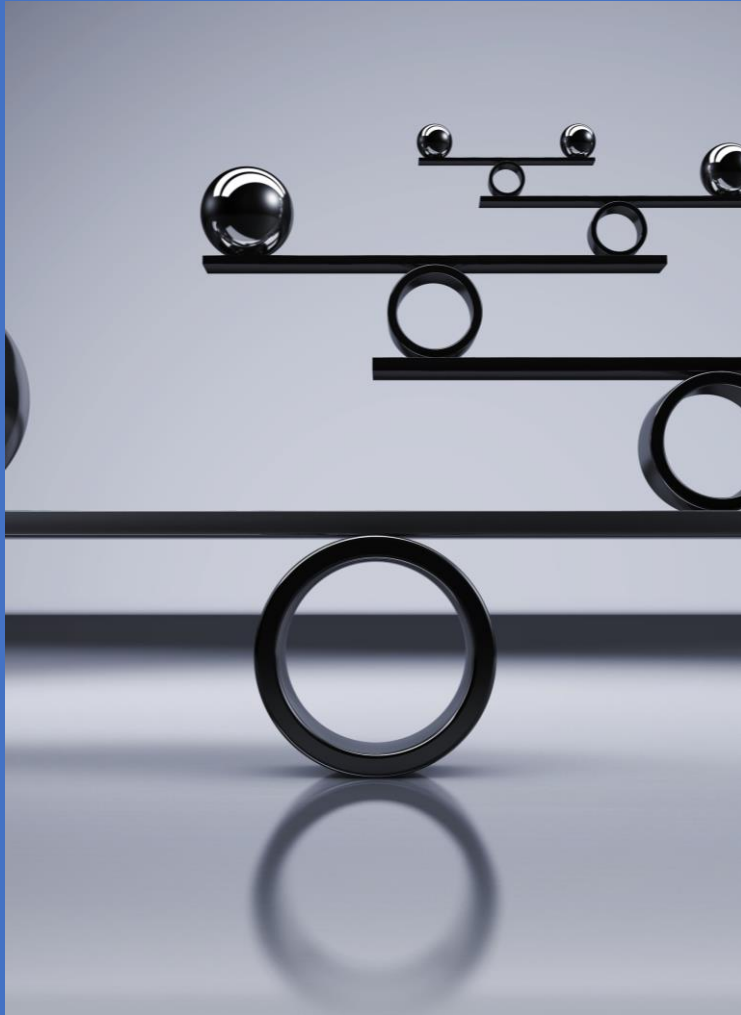
- ❑ Subrecipient
 - Federal Awards go on the SEFA
 - Comply with UG and federal statutes, regulations, and the terms and conditions
- ❑ Contractor
 - Do the work hired to do
 - Does not go on the SEFA
- ❑ Beneficiary
 - Not specifically defined in the UG but recipients and subrecipients do not include individuals
 - Treasury expanded definition to also include entities
 - Does not go on the SEFA

IT IS THE
PASS-THRU-ENTITIES
RESPONSIBILITY FOR
MAKING THE
DETERMINATION

Tips for Dealing with Subrecipient vs. Contractor vs. Beneficiary issues

- ❑ Auditees should go back to PTE to make determination if none has been made
- ❑ Auditee should get something in writing from the PTE, especially if the PTE is changing the designation
- ❑ If the PTE does not make the designation or tells the auditee to make designation – review auditee's analysis

Documentation of the process and conclusion reached is critical for both auditees and auditors



Federal Audit Clearinghouse

ALSO KNOWN AS FAC

What is FAC/DCF

- ❑ The Federal Audit Clearinghouse (FAC) has served as the central repository for single audit information submitted by recipients since 1997
- ❑ The data collection form (DCF) (Form SF-SAC) is the worksheet that recipients must complete online and include with the single audit reporting packages sent to the FAC

FAC Report Package

- ❑ § 200.512 Report submission
 - (c) Reporting Package
 1. Financial statements and schedule of expenditures of Federal awards
 2. Summary schedule of prior audit findings
 3. Auditor's report(s)
 4. Corrective action plan

PART II: FEDERAL AWARDS																PART III: INFORMATION FROM THE SCHEDULE OF FINDINGS AND QUESTIONED COSTS		
1. Federal Awards Expended During Fiscal Period																1. Major Program Information and Audit Findings		
Schedule of Expenditures of Federal Awards																a	b	c
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	a	b	c
Row Number (auto-generated)	CFDA #		Additional Award Identification ³	Federal Program Name	Amount Expended	Cluster Name	Federal Program Total ⁴ (auto-generated)	Cluster Total ⁵ (auto-generated)	Loan Programs		Federal Award Source			Passed Through		Major Program		Number of Audit Findings
	Federal Awarding Agency Prefix ¹	CFDA Three-Digit Extension ²							Loan/Loan Guarantee (Loan)	If Loan, the End of the Audit Period Outstanding Loan Balance ⁶	Direct Award (Direct)	If not Direct, list Name of Pass-through Entity	If not Direct, list Identifying Number Assigned by the Pass-through Entity, if assigned ⁷	Federal Award Passed Through to Subrecipients	If Passed Through, provide Amount Passed Through	Major Program (MP)	If MP, Type of Audit Report ⁸	
					(\$)		(\$)	(\$)	Y/N	(\$)	Y/N	PENNSYLVANIA		Y/N	(\$)	Y/N		

What's new with FAC/DCF

- ❑ The FAC transitioned from the U.S. Central Bureau to the U.S. General Services Administration 10/2/2023
 - All submissions should now be done through the new FAC hosted by the GSA
 - Search and download of audit data from 2016-2022 will remain on the Census' site through 12/31/2023
 - The FAC is currently not accepting submissions for the Alternative Compliance Examination Engagements (CSLFRF) - an automatic extension for audit year 2023 has been granted

FAC extensions

- For any 2023 submissions with fiscal periods ending between January 1, 2023 and September 30, 2023, requirement 2 CFR 200.512(1) stating that single audits are due to the Federal Audit Clearinghouse 30 days after receipt of the auditor's report(s), is waived. These audits will be considered on time if they are submitted within nine months after their fiscal period end date.

- For any 2022 submissions with fiscal periods ending between January 1, 2022 and October 31, 2022, requirement 2 CFR 200.512(1) stating that single audits are due to the Federal Audit Clearinghouse 30 days after receipt of the auditor's report(s), is waived. These audits will be considered on time if they are submitted within nine months after their fiscal period end date.



Key Reminders

WRAP IT UP!

Reminders - Auditees

- ❑ Covid-19 funding on separate line in the SEFA and DCF
- ❑ No similar requirements for Infrastructure Investments and Jobs Act (IIJA)
- ❑ Don't forget Education has alpha characters
- ❑ Any quarterly reporting should tie to the SEFA

Reminders - Auditors

- ❑ Information in the SEFA must match correlating information in the DCF, audit documentation and reports
- ❑ DCF properly identifies major programs audited
- ❑ Required SEFA elements are properly identified on the DCF (cluster names and totals, Covid-19 funding, direct/indirect award, etc.)
- ❑ Individuals assigned to review the DCF have the appropriate knowledge and experience

Questions?

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