Schedule of Expenditures of Federal Awards

2021 Spring Auditors Conference

Federal Award Definition

Federal Assistance that a non-federal entity receives directly from a federal agency or from a pass-through entity.

- Non-federal entity – An entity that is not the Federal government, for example a County
- Pass-through entity – An entity that receives money from a federal agency and awards that money to another entity (subrecipient) to carry out the objectives of the grant.
Financial Assistance from the State

There are two types of assistance from the State of Indiana.

- Federal assistance that is passing through the State
- State Assistance

How to Identify Federal Assistance

If assistance given by the State is federal, the State must provide:

- Federal award identification;
- CFDA number and name;
- Amount of federal funds obligated to the subrecipient;
- Federal award date
How to Identify Federal Assistance

If questions remain about whether the award is federal assistance or state assistance, contact the awarding agency.

- The awarding agency should also be contacted with questions about any requirements of the award and how to comply with them.

Why it’s important to know the difference

All federal assistance received must be reported on the Schedule of Expenditures of Federal Awards (SEFA)

- Used to determine if an audit of the federal assistance is needed.
  - Required when $750,000 in federal assistance is expended in a year.
  - These audits are referred to as Single Audits.
Reporting of Federal Assistance

In Indiana, federal award information is completed using Gateway when entering the county’s Annual Financial Report (AFR).

- The federal award information entered on the Gateway AFR will be used to compile the SEFA that will be approved by the County Auditor and will be audited.

### Annual Financial Report - Grants

<table>
<thead>
<tr>
<th>Local Project Name/Description</th>
<th>Federal/Program Title/Project Name</th>
<th>Federal Agency</th>
<th>Pass Through Agency</th>
<th>CFDA Number (pha/ea)</th>
<th>Award Name</th>
<th>Award Number</th>
<th>Grant Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>3309 Title I-O Infant-Food</td>
<td>Title I-O</td>
<td>US Department of Health and Human Services</td>
<td>Indiana Department of Child Services Child Support Enforcement</td>
<td>82.953</td>
<td>Title I-O Incentive</td>
<td>FY2019</td>
<td>Ramseyian</td>
</tr>
<tr>
<td>2244 12.09(NH) Child</td>
<td>Nutrition Program/</td>
<td></td>
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<td></td>
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<tr>
<td>Lunch Program</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>5113 FY19 CDBG Open</td>
<td>CDBG Entitlement Grants</td>
<td>US Department of Housing and Urban Development</td>
<td>Indiana Department of Education</td>
<td>14.216</td>
<td>FY18 Community Development Block Grant</td>
<td>6-18-UG-18-0023</td>
<td>Ramseyian</td>
</tr>
<tr>
<td>0142 02.009 Public Health</td>
<td>Emergency Preparedness</td>
<td>US Department of Health and Human Services</td>
<td>Indiana State Department of Health</td>
<td>80.006</td>
<td>HHS and PHED Cooperative Agreements</td>
<td>26681</td>
<td>Ramseyian</td>
</tr>
<tr>
<td>0144 03.286 FY19 Immunization</td>
<td>Grant</td>
<td>US Department of Health and Human Services</td>
<td>Indiana State Department of Health</td>
<td>80.286</td>
<td>Immunizations for Children/II-02 GPR</td>
<td>26681</td>
<td>Ramseyian</td>
</tr>
<tr>
<td>0118 60.708 Justice</td>
<td>Palmer’s Additional</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Response</td>
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<td></td>
</tr>
</tbody>
</table>
SEFA Format

<table>
<thead>
<tr>
<th>Department of Health</th>
<th>Grant Application</th>
<th>FY 2019</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Breakfast</td>
<td></td>
<td>$1,195</td>
<td>$1,195</td>
</tr>
<tr>
<td>National School Lunch</td>
<td></td>
<td>$9,723</td>
<td>$9,723</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$10,918</td>
<td>$10,918</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Education</th>
<th>Grant Application</th>
<th>FY 2019</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant applications, and/or grant agreements for each program including the received by departments.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>If necessary, the grantor agency may be contacted</td>
<td></td>
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</tr>
</tbody>
</table>
SEFA Reporting

Ensure the following information is available for each grant:

- Local Project Name / Description
- CFDA #
- Federal Awarding Agency
- Title of Federal Program
- Whether the grant is direct or pass-through
- Pass-through entity, if applicable
- Whether the grant is on an advance or reimbursement basis

Advance vs. Reimbursement

- Advance
  - The grant amount is given to the grantee (county) either at the beginning of the grant or on a schedule of payments to allow the grantee to complete the project.

- Reimbursement
  - The grantee (county) must disburse local funds to pay for project expenses. The grantee then submits a claim with proof of the costs that have been paid and the grantor agency sends a payment to reimburse the grantee for those costs.
SEFA Reporting

Determination of amounts reported:

- Disbursements are reported for advance grants
- Receipts are reported for reimbursement grants

Local Fund Number & Name reported as well.

***Each Federal grant should be maintained in a separate fund within the 8000 series.

Accounting of Federal Assistance

- Post all transactions to the grant fund
  - If specific local fund is used to pay costs of program/project prior to reimbursement, do an interfund loan to the grant fund, post reimbursements to the grant fund and repay loan when reimbursements have been received.
  - If no specific fund is identified in (a) it is possible for a reimbursement grant to be overdrawn for a short period of time pending timely filed reimbursement claims
Subrecipients

Report the amount of federal assistance passed-through to other entities on the SEFA

- Keep detailed documentation of the name of the entity and the amount of federal assistance the county gave.
- Subrecipient information will not be entered in Gateway but will be needed during the audit.

Additional Information

Federal Assistance could have additional requirements that may need reported:

- Non-Cash Assistance
- Amount of Loans Outstanding
- Amount of Insurance in effect
Single Audits

A Single Audit includes both an audit of the financial statements and an audit of the federal awards expended.

- The SEFA will be audited for accuracy
  - This includes program names, CFDA#’s & amounts
- Internal controls over the preparation of the SEFA will also be audited. Documentation of these procedures is important.

Internal Controls over Reporting

- Generating reports from the financial system and compare the financial reports to information in the grant files. Doing this monthly is a good idea. (Some prepare a spreadsheet of grant information)

- Enter information into Gateway from information obtained from the financial records, grant files, etc. Have a second employee review the grant schedule and trace the information back to the grant file and the funds ledger.
Internal Controls over Reporting

- Have procedures to allow the department that applies for the grant review the transactions posted to the funds ledger to reconcile to their records.

- Compare the grant schedule to the prior year’s Schedule of Expenditures of Federal Awards (SEFA) to check to see if any grants may have been missed, titles and CFDA numbers are consistent.

Documentation to be maintained

Set up a folder or electronic file to keep all information on the grant:

- Award Letter
- Grant contracts
- Grant budgets
- Correspondence with grantor agency
Additional Resource

https://beta.sam.gov
Search CFDA#

May have to scroll down the list

Highway Planning and Construction
This assistance listing encompasses several transportation programs:
Federal-aid Highway Program. The purpose of the Federal-aid
Highway Program is...

Federal Assistance

Department: Ind. Agency
TRANSPORTATION, DEPARTMENT OF

Future Audits

- Federal & Financial Audits
  - Conducted together
  - One audit team
  - One Report
Questions