

**CHAPTER XI: SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS (SEFA)
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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)

The Schedule of Expenditures of Federal Awards (SEFA) is an essential document for planning and conducting the audit of your organization. It also provides assurance to those agencies that award financial assistance that their programs or grants were included in the audit. It is important to prepare this schedule carefully to ensure that it is accurate and complete. Any program or grant omitted from this schedule will be considered unaudited. This schedule should be prepared on the same basis of accounting as the financial statements.

For information on how to submit the SEFA contact State Auditor's Office at 725-5612.

Please do not submit the SEFA to the Office of Superintendent of Public Instruction.

Include on this schedule all expenditures of federal awards for the year. Federal awards expended include the following:

- Expenditure transactions associated with grants, cost-reimbursement contracts, cooperative agreements, and direct appropriations.
- Disbursement of funds passed through to sub-recipients.
- Receipt of loan proceeds under loan and loan guarantee programs.
- Receipt of federal property and surplus property.
- Receipt or use of program income (see revolving loan exception below).
- Distribution or consumption of food commodities.
- Disbursement of amounts entitling a non-federal entity to an interest subsidy.
- Insurance contracts in force during the period under audit.

Include federal awards received directly from a federal agency and indirectly from a state agency or local government.

List all financial assistance from the same federal agency together on the schedule (for example, group all ED awards together). Next, within each federal agency section, list all direct awards first followed by indirect awards.

Provide subtotals for programs with the same Catalog of Federal Domestic Assistance (CFDA) number. Also provide subtotals for assistance received directly and assistance received indirectly. Provide a total for each federal agency.

It is important to note that the expenses reported on the SEFA will not necessarily tie to those reported on the operating statement, especially if the federal awards include loans, insurance, or commodities. However, amounts should agree or reconcile to records maintained by finance, budget, and treasury departments. Indirect costs, restricted or unrestricted as applicable, should be included in the expenditure amounts.

For answers to Frequently Asked Questions please see Section 2.

Valuation of Federal Loans and Noncash Assistance

Use the following guidelines to calculate the value of “federal awards expended” under loan programs:

- (1) Amount of new loans received during the fiscal year; plus
- (2) Balance of loans from previous years for which the federal government imposes continuing compliance requirements; plus
- (3) Any interest subsidy, cash, or administrative cost allowance received.

NOTE: Loans, the proceeds of which were received and expended in prior years, are not considered federal awards expended when the laws, regulations, and the provisions of contracts or grant agreements pertaining to such loans impose no continuing compliance requirements other than to repay the loans

Noncash Assistance: Food stamps, food commodities, donated property, and donated surplus property should be valued at fair market value at the time of receipt or the assessed value provided by the federal agency. The Notes to the Schedule should disclose the nature of the amounts reported.

Other Preparation Hints for Both Schedules

Often, federal financial assistance received indirectly is a mix of federal and state or local money. List only the federal share on the SEFA. If the state or local portion cannot be identified, list the entire amount on the SEFA, and describe the commingled nature of the funds in the Notes to the Schedule.

The funds received as *fee for services* should not be included on the schedule.

Records must agree or reconcile to those in finance, budget, and treasury departments.

Example of Schedule of Expenditures of Federal Awards

This schedule should be prepared for the year in which federal awards are **expended**. Preparation of this schedule should not be based on the date(s) that funds are received (e.g., advances or reimbursement).

Column 1 **Federal Agency Name**—Enter the name of the federal granting agency that administers the program (for example, the federal grantor for Title I is the U.S. Department of Education).

Column 2 **Pass Through Agency**—Enter the name of the pass through agency that awarded the funding to your district (for example, OSPI, DSHS, ESD 121, Spokane County, etc.). **Note: Leave this column blank if the award is received directly from a federal agency.**

Column 3 **Federal Program Title**—Enter the name of the federal program as listed in the Catalog of Federal Domestic Assistance (CFDA). Please do not use common names or nicknames. The CFDA is available in hard copy or can be viewed at www.cfda.gov/.

Column 4 **CFDA Number**—The CFDA number is a five-digit (XX.XXX) identification number that identifies the federal granting agency and the program. For example, the CFDA number for the U.S. Department of Agriculture (USDA) School Breakfast Program is 10.553.

Every effort should be made to obtain the CFDA number. If the number cannot be obtained, or if an award has not been assigned a CFDA number, you can develop a CFDA number. The first two digits of the number should identify the federal agency. A list of the two-digit prefixes for all federal agencies is provided in Section 5 of this chapter. Once you determine the first two digits, enter the grant agreement number or contract number. For example, an award from the U.S. Department of Health and Human Services with no CFDA number, but with a contract number of “04356WA,” can be entered on the SEFA as “93.04356WA.”

Column 5 **Other ID Number**—Enter the grant agreement or contract number/code assigned by the federal grantor or pass through agency for each program. If a number is not available or applicable, enter “N/A.”

Column 6 **Expenditures From Direct Awards**—Enter the amount of **expenditures** for assistance received **directly** from a federal agency. When calculating the amount expended for each program, be sure to include both direct costs and indirect costs (restricted or unrestricted).

NOTE: Any amounts your district passes through (i.e., a subgrant) to other entities are considered expenditures. Consequently, the total amount expended for a particular federal award includes all amounts expended by your district and any amounts awarded to other districts. See examples in the Frequently Asked Questions With Answers, section 2.

Column 7 **Expenditures From Pass Through Awards**—Enter the amount of expenditures for federal assistance received as a pass through award from a state agency, local government, ESD, non-profit organization, etc. Note: when calculating the amount expended for each program, be sure to include both direct costs and indirect costs (restricted or unrestricted). For an example of a pass through award, refer to Section 4 of this chapter.

NOTE: Any amounts your district passes through (i.e., a subgrant) to other entities are considered expenditures. Consequently, the total amount expended for a particular federal award includes all amounts expended by your district and any amounts awarded to other districts. See the examples in Section 2, Frequently Asked Questions With Answers, Page 1.

Column 8 **Total Expenditures**—Enter the combined total of all federal expenditures. This is the total of the amount reported as direct awards and pass through awards in columns 6 and 7.

Column 9 **Footnote Reference**—If applicable, enter the reference number that corresponds with the “Notes to the Schedule.”



Notes to the Schedule

Section 3 illustrates footnotes that should be included in the SEFA if applicable to your district. Included in this illustration are disclosures for districts operating schoolwide programs, and/or exercising the transferability option provided for by No Child Left Behind (NCLB) or the Small Rural Schools Achievement (SRSA) option.

Note: An Excel template has been created for districts to use when preparing their SEFA. This template is located on the SAFS website, at <http://www.k12.wa.us/safs/TT/tools.asp>.

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FREQUENTLY ASKED QUESTIONS WITH ANSWERS

- 1.) **Q** Am I required to identify American Recovery and Reinvestment Act funds on a separate line in the SEFA?

A Yes, any funds spent from the American Recovery and Reinvestment Act of 2009 (ARRA) must be reported separately on the SEFA. Many of the grants under ARRA have their own unique CFDA number for use on the SEFA. In addition, use the prefix "ARRA-" when identifying the name of the program. Further, your district should include in the SEFA any ARRA funds disbursed to subrecipients. It is recommended that you include a footnote that describes the pass-through awards to sub-recipients.

- 2.) **Q** Has CFDA 10.550 (food commodities) been removed from the CFDA?

A Yes. CFDA 10.550 has been deleted by the USDA for FY2009 and beyond. Instead, food commodities should be reported under CFDA 10.555 (National School Lunch) or 10.559 (Summer Food). Do not use 10.553 (School Breakfast). Report the commodities as "noncash assistance" on a separate line from your meal reimbursements.

Example:

USDA National School Lunch; CFDA 10.555	
Cash Assistance	\$xxxxx
Non-cash assistance (commodities)	\$xxxxx

- 3.) **Q** I have joined a special education consortium through the Educational Service District (ESD) that receives all of my local and federal special education funds (CFDA 84.027 and 84.173). Do I have to report the cost of the federal special education services provided by the ESD on my SEFA?

A Yes, beginning with fiscal year 2008, when it will be required to be reported by the district. LEA's (school districts) are the official grantee and the primary provider of special education. ESD's are service organizations without FTE's and cannot receive funding as a grantee under IDEA, but can provide special education services. Therefore, in order to properly account for funds received and expended, the school district should consider itself as the grantee and the ESD as a vendor providing services. As a result, each district should report the federal funds expended to support these services on its SEFA. Consult with your ESD on the proper accounting journal entry for this grant. Each school district would then be responsible for monitoring the proper use of these federal funds by the consortium.

- 4.) **Q** Do I report the amount my district sub-grants (pass-through award) to other districts?

A Yes, amounts passed through to other entities are considered expenditures. Consequently, the total amount reported for a particular federal award includes all amounts spent by your district and any amounts awarded to other districts.

FREQUENTLY ASKED QUESTIONS WITH ANSWERS (continued)

Example 1: An ESD provided federal funds to School District A and School District B to purchase computer equipment under a technology grant, and both districts procure and pay for the equipment using the grant funds. The amount paid to each district by the ESD is considered a pass through award. As such, the ESD would report this amount on its Schedule of Expenditures of Federal Awards (SEFA). Further, School Districts A and B would report the amount they spent for the equipment as an expenditure of a pass through award on their SEFAs.

Example 2: An ESD purchases computers, provides training, and awards the computers to participating districts. The title for the equipment transfers to each district, which has the responsibility for managing and tracking the equipment. Each district would report the receipt of the equipment on its SEFA and the ESD would report the initial cost of purchasing the computers on its SEFA. If the ESD charged a fee to attend the training, and a district paid the fee with federal funds, the district would report the cost of the registration as an expenditure. The ESD would also report the cost of the training (net of the registration fees received) on the SEFA if it was paid with federal funds.

- 5.) **Q** Do I report Medicaid Administrative Match reimbursements from the Department of Social and Health Services (DSHS) on the SEFA?

A Yes, report this assistance under CFDA No. 93.778. The federal grantor is the U.S. Department of Health and Human Services and the pass through agency is DSHS. You should report the amount claimed for reimbursement during the year on the SEFA, even though you might not receive the payment from DSHS until the following fiscal year. If the delay is significant (e.g., longer than 6 months), consult with your regional SAO audit team.

- 6.) **Q** Do I report Medicaid reimbursements received from DSHS for services provided to Medicaid-eligible Special Education students?

A No, these services are considered patient care services and are not subject to audit under Circular A-133.

- 7.) **Q** Do I report Federal Forest funds (Schools and Roads) on the SEFA?

A Yes, report this assistance under CFDA No. 10.665, "Schools and Roads – Grants to States." The federal grantor is the U.S. Department of Agriculture (USDA). The pass-through agency is the Office of State Treasurer.

- 8.) **Q** Do I report state and local funds spent by our district to supplement federal programs?

A No, report **only** the federal portion.

FREQUENTLY ASKED QUESTIONS WITH ANSWERS (continued)

9.) Q Do I report amounts that we are reimbursed for indirect costs on the SEFA?

A Yes, include direct costs and costs recovered via an indirect cost rate. (However, you do not need to distinguish between direct and indirect costs when reporting the amount spent.)

10.) Q Do Title I “Academic Achievement Awards,” “Distinguished Schools Awards,” or “Improvement Awards” from OSPI need to be reported on the SEFA?

A No, according to the OSPI Title I office, these special awards are not part of your Title I, Part A allocation and are not considered a federal grant that is required to be included on the SEFA. Please refer all questions to OSPI on the allowable uses of these “awards.”

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NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Example)

Include the following notes to the schedule either as an attachment to the schedule or on the face of the schedule (if space permits). The notes should disclose the basis of accounting, definitions of abbreviations, and any other information that might be needed by the reader. Each district should prepare notes that describe their particular programs and circumstances.

The following notes are considered examples only:

NOTE 1—BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is prepared on the same basis of accounting as the (district)'s financial statements. The (district) uses the (cash/modified accrual/accrual) basis of accounting. Expenditures represent only the federally funded portions of the program. District records should be consulted to determine amounts expended or matched from non-federal sources.

NOTE 2—PROGRAM COSTS/MATCHING CONTRIBUTIONS

The amounts shown as current year expenses represent only the federal grant portion of the program costs. Entire program costs, including the (district)'s local matching share, may be more than shown.

NOTE 3—NONCASH AWARDS

The amount of (vaccine/dental items/commodities/surplus property/etc.) reported on the schedule is the value of (vaccine/dental items/commodities/surplus property/etc.) distributed by the (district) during the current year and priced as prescribed by _____.

NOTE 4—SCHOOLWIDE PROGRAMS

The (district) operates a "schoolwide program" in three elementary buildings. Using federal funding, schoolwide programs are designed to upgrade an entire educational program within a school for all students, rather than limit services to certain targeted students. The following federal program amounts were expended by the (district) in its schoolwide program: Title I (84.010) (\$ dollar amount); Migrant Education (84.011) (\$ dollar amount).

NOTE 5—TRANSFERABILITY

As allowed by federal regulations, the (district) expended (\$ dollar amount) from Title II Improving Teacher Quality, Part A (84.367) to Safe and Drug-Free Schools (84.186). This amount is reflected in the expenditures of Safe and Drug-Free Schools (84.186).

NOTE 6—SMALL RURAL SCHOOLS ACHIEVEMENT (SRSA)

As allowed by federal regulations, the (district) expended (\$ dollar amount) from Title II Improving Teacher Quality, Part A (84.367) funds for activities of the Safe and Drug-Free Schools (84.186) program. This amount is reflected in the expenditures of Title II Improving Teacher Quality, Part A (84.367).

NOTE 7—FEDERAL INDIRECT RATE

The (district) used the federal (restricted/unrestricted) rate of ____%.

NOTE 8—AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

The funding for this program was provided by the American Recovery and Reinvestment Act of 2009 (ARRA). Of the amount shown, \$_____ was paid to subrecipients.

<u>Effective Date</u>	<u>Supersedes</u>	<u>Form</u>	<u>Chapter</u>	<u>Section</u>	<u>Page</u>
9/1/09	9/1/08		SEFA	3	1

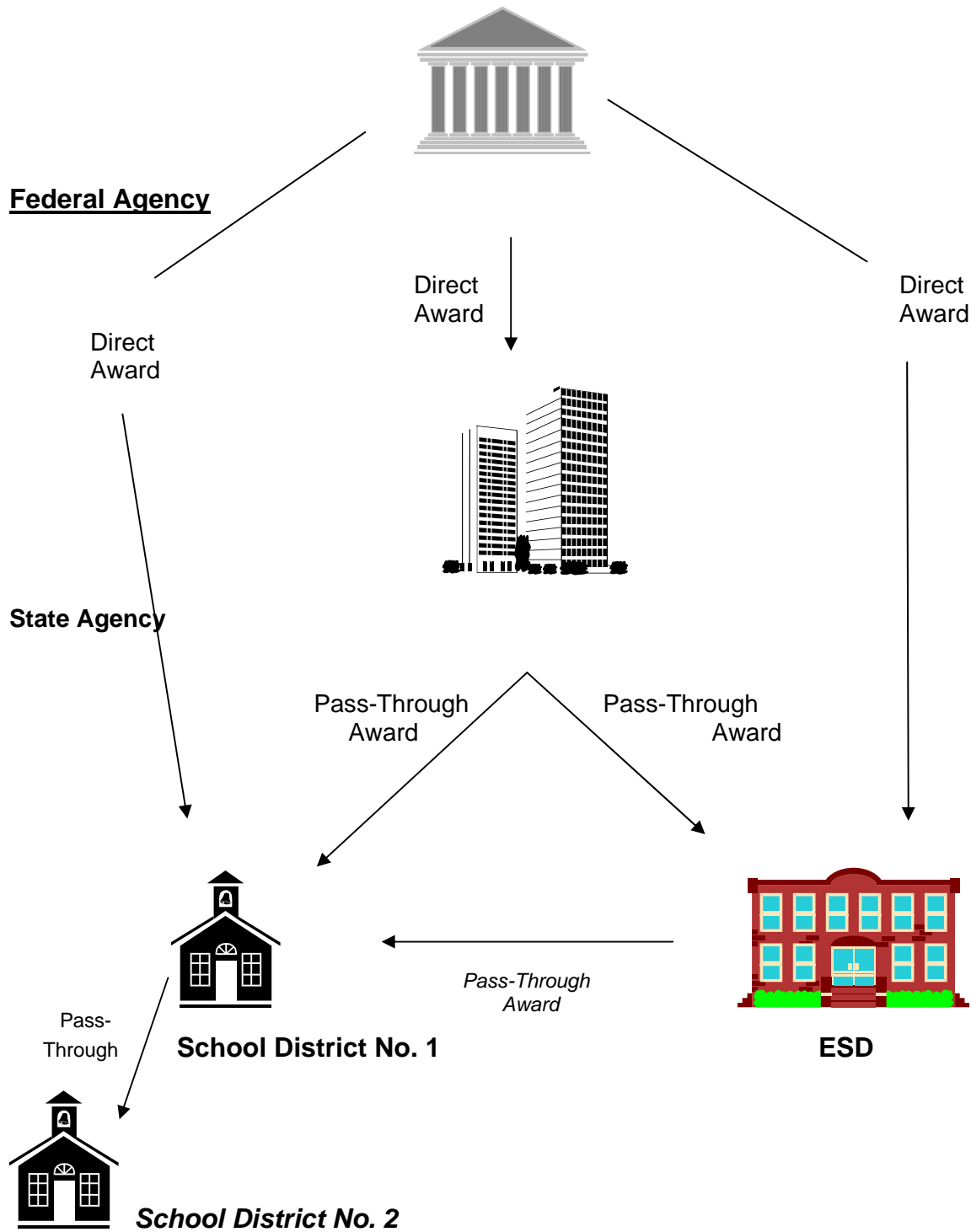
EXAMPLE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ending August 31, 20XX

1	2	3	4	5	6	7	8	9
					Expenditures			
Federal Agency Name	Pass Through Agency	Federal Program Title	CFDA Number	Other Identification Number	From Direct Awards	From Pass Through Awards	Total	Footnote
USDA	WA OSPI	School Breakfast Program	10.553	WA12345		\$25,000	\$25,000	
		National School Lunch - Cash Assistance	10.555	WA12345		\$200,000	\$200,000	
		National School Lunch - Non Cash Asst. Food Commodities	10.555	WA12345		<u>\$17,250</u>	<u>\$17,250</u>	3
		Subtotal US Department of Agriculture				<u>\$242,250</u>	<u>\$242,250</u>	
U.S. Dept of Ed	WA OSPI	Title I, Part A, Grants to LEAs	84.010	A21464		\$400,500	\$400,500	4,7
		Impact Aid	84.041	A12345	<u>\$30,000</u>		\$30,000	
		Safe & Drug-Free Schools	84.186	B12345		\$50,000	\$50,000	5
		Title II Improving Teacher Quality	84.367	E12345		\$118,000	\$118,000	6
		ARRA - Title I, Part A, Grants to LEAs	84.389	C23124		\$65,000	\$65,000	4,8
		ARRA - State Fiscal Stabilization Funds	84.394	D12345		<u>\$50,000</u>	<u>\$50,000</u>	8
Subtotal US Department of Education				<u>\$30,000</u>	<u>\$683,500</u>	<u>\$713,500</u>		
U.S. Dept of Health and Human Services	WA DOH	Immunization Grants	93.268	RI 12344		\$2,500	\$2,500	3
	ESD 121	Head Start	93.600	10CH002		\$90,000	\$90,000	2
	WA DSHS	Medicaid Administrative Match	93.778	WA12345		<u>\$3,000</u>	<u>\$3,000</u>	
	Subtotal US Dept of Health and Human Services					<u>\$95,500</u>	<u>\$95,500</u>	
TOTAL FEDERAL AWARDS EXPENDED					\$30,000	\$1,021,250	\$1,051,250	

The Accompanying Notes to the Schedule of Expenditures of Federal Awards are an Integral Part of this Schedule.

ILLUSTRATION OF DIRECT AND PASS-THROUGH AWARDS FROM THE FEDERAL GOVERNMENT



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FEDERAL AGENCY TWO-DIGIT PREFIX LIST

(Use the following list when developing a CFDA number for a grant that does not have an official CFDA number)

- | | |
|--|---|
| 01 African Development Foundation | 42 Library of Congress |
| 02 Agency for International Development | 43 National Aeronautics & Space Administration |
| 03 Institute for Museum Services | 44 National Credit Union Administration |
| 04 Inter-American Foundation | 46 National Labor Relations Board |
| 05 National Endowment for the Arts | 47 National Science Foundation |
| 06 National Endowment for the Humanities | 53 President's Comm on Employ. of the Handicapped |
| 07 Office of National Drug Control Policy | 57 Railroad Retirement Board |
| 08 Peace Corps | 58 Securities and Exchange Commission |
| 09 Legal Services Corporation | 59 Small Business Administration |
| 10 Department of Agriculture | 60 Smithsonian Institution |
| 11 Department of Commerce | 61 International Trade Commission |
| 12 Department of Defense | 62 Tennessee Valley Authority |
| 13 Central Intelligence Agency | 64 Department of Veterans Affairs |
| 14 Department of Housing and Urban Development | 66 Environmental Protection Agency |
| 15 Department of Interior | 68 National Gallery of Art |
| 16 Department of Justice | 70 Overseas Private Investment Corporation |
| 17 Department of Labor | 77 Nuclear Regulatory Commission |
| 18 Federal Reserve System | 78 Commodity Futures Trading Commission |
| 19 Department of State | 81 Department of Energy |
| 20 Department of Transportation | 82 United States Information Agency |
| 21 Department of Treasury | 83 Federal Emergency Management Agency |
| 22 Postal Service | 84 Department of Education |
| 23 Appalachian Regional Commission | 85 Scholarship Foundations |
| 27 Office of Personnel Management | 86 Pension Benefit Guaranty Corporation |
| 29 Commission on Civil Rights | 87 Consumer Product Safety Commission |
| 30 Equal Employment Opportunity Commission | 88 Architectural & Transportation Barriers |
| 32 Federal Communications Commission | 89 National Archives & Records Administration |
| 33 Federal Maritime Commission | 91 Miscellaneous Foundations & Commissions |
| 34 Federal Mediation and Conciliation Service | 92 National Council on Disability |
| 36 Federal Trade Commission | 93 Department of Health and Human Services |
| 39 General Services Administration | 94 Corporation for National Service |
| 40 Government Printing Office | 96 Social Security Administration |
| 41 Interstate Commerce Commission | 97 Department of Homeland Security |

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