

## Preparing Schedule of Expenditures of Federal Awards (SEFA)

The auditee (BOE/MCVC) is responsible for the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

The minimum requirements for the schedule for School Boards and MCVC's are:

- The period covered by the schedule must be the same as that covered by the financial statements. This will be annually at June 30,
- Total federal awards expended.
- The federal programs listed individually by federal agency.
- Total federal awards expended for each individual federal program.
- Total federal awards expended for each cluster of programs.
- The *Catalog of Federal Domestic Assistance* (CFDA) numbers or other identifying number when a CFDA number is not available. (See the CFDA listings at <https://beta.sam.gov>.)
- For federal awards received as a sub-recipient, the name of the pass-through entity and the identifying number assigned by the pass-through entity. Additionally, the total amount provided to sub-recipients from each federal program.
- The value of federal awards expended in the form of noncash assistance such as food commodities, insurance, and free rent. (Valuation of noncash assistance)
- Notes describing the following:
  - Significant accounting policies used in preparing the schedule.
  - Whether the entity did or did not elect to use the 10 percent de minimis indirect cost rate.
  - Balances of loans and loan guarantee programs outstanding at the end of the audit period for loans

Accumulation of the federal expenditures from the Special Projects Worksheet. This should include all funds and all projects.

## Common Deficiencies in the Schedule of Expenditures of Federal Awards (SEFA)

Peer reviews, inspections by the AICPA, and federal offices of inspectors general have all identified problem areas and potential audit deficiencies related to the schedule of expenditures of federal awards (SEFA).

- Amounts reported in the schedule did not reconcile to the financial records.
- The schedule did not indicate whether awards were direct or pass-through.
- The schedule did not clearly indicate the total federal expenditures and/or federal expenditures by program.
- The schedule did not contain required information related to the federal agency and pass-through entities, including CFDA number or other identifying number, and the name of the federal agency or pass-through entity and identifying number assigned by the pass-through entity.
- The schedule had inadequate notes or no notes to the schedule.
- Notes to the schedule did not disclose the significant accounting policies used in preparing the schedule.
- Schedule was lacking:
  - CFDA number (or other identifying number when the CFDA number is not available).
  - Name of the federal agency or pass-through entity and the pass-through entity's identifying number.
  - Total federal expenditures for each federal program.
  - Notes describing the significant accounting policies used in preparing the schedule.
  - Noncash awards from the schedule. (donated foods)

## Suggestions and Additional Comments

- Federal awards do not include other contracts that a federal agency uses to buy goods or services from a contractor or a contract to operate.
- READ the SEFA and related notes for clarity, understandability and consistency.
- Make sure that the SEFA is mathematically correct for accuracy.
- Compare the SEFA to the prior year.
- Some of the revisions/changes to the data collection form (SF-FAC form) for the 3 year cycle 2019, 2020, 2021 include:
  - Inclusion of the notes to the schedule of expenditures of federal awards
  - Inclusion of the full, detailed text of audit findings
  - Inclusion of the full, detailed text of the corrective action plan
- Make sure to look at the uploaded audit to make sure that it is for your entity for the correct audit period.
- Once a submission is made, any revision of the audit or SF-FAC form will need to also be made electronically.
- The reporting package submission must be submitted the earlier of 30 calendar days after receipt of the auditor's reports or 9 months after the end of the audit period.