



Understanding and Completing your SEFA

PRESENTED BY

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Introductions

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Objectives

- Discuss when a SEFA is required
- Discuss proper recording of revenues and expenditures
- Demonstrate how to create a SEFA
- Discuss where to find pertinent information
- Discuss what auditors will look at
- Understand the importance of the SEFA being correct

10,000 Foot View

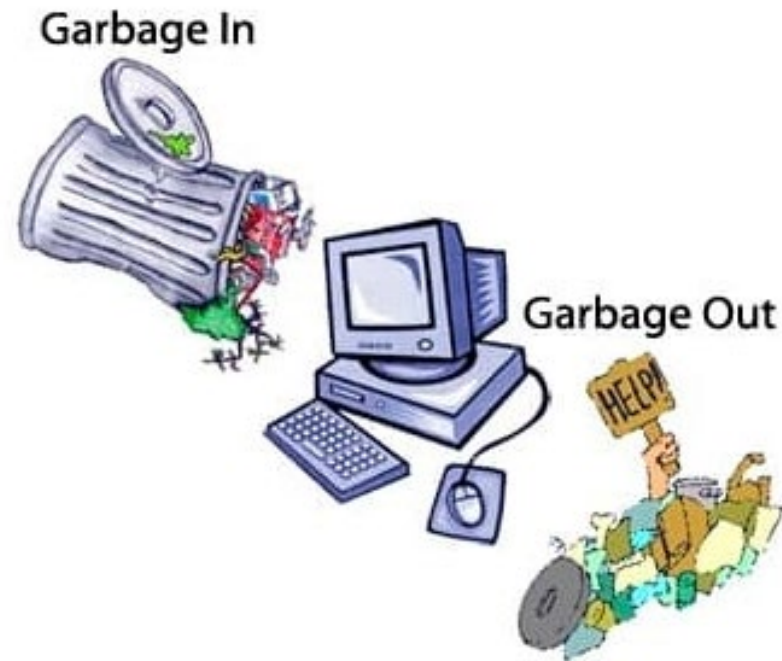
- Should be created by the District (more or less)
- Includes all amounts that are “Federal expenditures”
- Auditors issue an opinion in relation to SEFA
 - The SEFA is materially correct in relation to the basic financial statements
 - The SEFA is derived from information audited in the basic financial statements
- SEFA is used to determine the major programs
 - Auditors must audit major programs
 - Auditors must issue opinion on compliance with major programs
- SEFA needs to be completed (as much as possible) before auditors can start the Single Audit procedures

Who needs to prepare a SEFA

- Are there \$750,000 or more of Federal expenditures?
 - Yes – Needs an audit – and a SEFA
 - No – Doesn't need a Single Audit
- Become familiar with revenue sources and who authorized the award
- Look at all funds to see which revenues have a 4xx Major class code
- When determining the revenue amounts, make sure all accruals are up to date, or consider estimates of amounts you think you will have spent as of June 30th



Focusing on the Details of Revenues and Expenses



Using the Right Codes

- Use the MDE State Chart of Accounts and refer to the Appendix Definitions of Account Codes
 - https://www.michigan.gov/documents/appendix_33974_7.pdf

REVENUES

Fund	Transaction	Major Class	Suffix		Grant	Other
XX	X	XXX	XXXX	XXX	XXXX	XXXXXX-XXXX

Using the Right Major Class Codes



Appendix – Definitions of Account Codes – Revenue Major Class Codes

Major Class Code	Allowable Funds	Account Name/Description
400		Revenues from Federal Sources (Monetary and In-Kind)
410		Grant-In-Aid - Revenues received directly or through state from the Federal government.
411	11, 2x, 3x, 4x	Unrestricted Received Directly from the Federal Government - Revenues received directly from the federal government as grants to the school system and which can be used for any legal purpose desired by the school system without restriction.
412	11, 2x, 3x, 4x	Unrestricted Received from Federal Government Through the State - Revenues received from the federal government through the state as grants and which can be used for any legal purpose desired by the school system without restrictions.
413	11, 2x, 3x, 4x	Restricted Received Directly from the Federal Government - Revenues received directly from the federal government as grants to the school system and which must be used for a categorical or specific purpose. If such money is not completely used by the school system, it usually is returned to the governmental unit.
414	11, 2x, 3x, 4x	Restricted Received from Federal Government Through the State - Revenues received from the federal government through the state as grants to school system and which must be used for a categorical or specific purpose. If such money is not completely used by the school system it usually is returned to the state.
415	11, 2x, 3x, 4x	Restricted-Received from Federal Government through another governmental agency as grants that must be used for a categorical or specific purpose. (This does not include another public school, see 417 below.) If the funds are not completely used for the specified purpose, they must be returned to the governmental agency.
416	11, 2x, 3x, 4x	Unrestricted-Received from Federal Government through another governmental agency as grants that may be used for any legal purpose desired by the school without restriction. (This does not include another public school, see 418 below.)
417	11, 2x, 3x, 4x	Restricted-Received from Federal Government through another public school (Intermediate, Local, or Public School Academy) - Revenues received from the Federal Government through another public school that must be used for a categorical or specific purpose. If funds are not completely used for the grant purpose, they must be returned to the other public school.
418	11, 2x, 3x, 4x	Unrestricted-Received from Federal Government through another public school (Intermediate, Local or Public School Academy) - Revenues received from the Federal Government through another public school as grants which can be used for any legal purpose desired by the school without restriction.
419	11, 2x, 3x, 4x	Other Revenue - Federal Sources

Using the Right Major Class Codes

Appendix – Definitions of Account Codes – Revenue Major Class Codes

Major Class Code	Allowable Funds	Account Name/Description
420		Federal Payment in Lieu of Taxes
421	11, 2x, 3x, 4x	Federal Payments in Lieu of Taxes - Payments made out of general revenues by the federal government to the school system in lieu of taxes it would have had to pay had its property or other tax base been subject to taxation by the local school system on the same basis as privately-owned property or other tax base. It would include payment made for privately owned property that is not subject to taxation on the same basis as other privately-owned property due to action by the federal government unit.
480		USDA Donated Commodities
481	25	United States Department of Agriculture (USDA) entitlement commodities that are awarded according to a formula and accepted by the school food authority (SFA) for the fiscal year of the school district. Modifications to the grant entitlement are recognized whenever the SFA accepts entitlement commodities offered (via distributing agency request form). Entitlement commodities are determined by the USDA and are reported in the <i>Food Scoop</i> publication of the Michigan Department of Education.
482	25	USDA <u>bonus</u> commodities received by the SFA. Bonus commodities are determined by the USDA and the value is reported in the <i>Food Scoop</i> publication of the Michigan Department of Education.



Using the Right Grant Codes

REVENUES

Fund	Transaction	Major Class	Suffix		Grant	Other
XX	X	XXX	XXXX	XXX	XXXX	XXXXX-XXXX

EXPENDITURES

Fund	Transaction	Function	Object	Program	Grant	Facility /School	Other
XX	X	XXX	XXXX	XXX	XXXX	XXXXX	XXXX

Appendix – Definitions of Account Codes –Grant Codes

Identifies the various categorical programs that are under special reporting requirements. Fourth position of code has traditionally been reserved to denote fiscal year.

Using the Right Grant Codes

Appendix – Definitions of Account Codes –Grant Codes

Grant Code	Authority	Account Name/Description
795	11.429	NOS Office of National Marine Sanctuaries
796	84.425D	Education Stabilization Fund - Elementary and Secondary School Emergency Relief (ESSER I), see Grant Code 485 for ESSER II
797	21.019	Coronavirus Relief Fund – Child Care Relief Fund Grant
798	21.019	Coronavirus Relief Fund – District COVID-19 Costs (~\$12 per-pupil)
799	21.019	Coronavirus Relief Fund – Coronavirus Relief Funds (\$350 per-pupil)
800	84.425D	Education Equity – Elementary and Secondary School Emergency Relief (ESSER)
801	84.027a	IDEA Special Education – Formula Grants to ISDs
802	93.870	DHHS Maternal, Infant and Early Childhood Home Visiting Grant
805	84.173a	IDEA Preschool Formula Grants
806	84.173a	IDEA Preschool Mandated Activities Grants
807	84.027a	IDEA Part B EOSD
808	84.326	Scaling Up of Evidence Based Practice (SISEP)
809	84.184g	School Climate Transformation Grant
810	84.027a	IDEA Part B Grant Funded Initiatives
811	84.027a	IDEA Part B – General Supervision
812	84.027a	IDEA Part B Transition Services
813	84.324	IDEA-Model Demonstration for Children with Disabilities; Research and Innovation to Improve Services to Children
815	84.181	Infants and Toddlers with Disabilities

When I ask myself where all my money went



Expenditure Guidelines

- State Guidelines
 - Michigan School Auditing Manual [Link to 2022 Manual](#)
 - Competitive bid threshold \$26,046 for 2022 [Link](#)
- Federal Guidelines
 - Subpart D of 2 CFR 200 – particularly procurement standards [Link](#)
 - Subpart E of 2 CFR 200 – Cost Principles [Link](#)
 - 2021 Compliance Supplement [Link](#)
- Grant Specific Budgets
- Follow GAAP to determine what period to record



What Goes in a SEFA?

- Individual programs by Federal agency
 - Generally, a program is a CFDA number or Assistance Listing Number
 - Uniform Guidance has been updated and we will see a phase in of “CFDA” references being changed to “Assistance Listing Numbers”
 - Must list who the Federal agency is
 - First 2 digits of CFDA number/Assistance listing indicate Federal agency
 - Generally, put in CFDA number/Assistance listing order
 - If there is a cluster, all CFDA numbers in the cluster must be put in same section
 - Then continue with other CFDA numbers for that Federal agency not a part of cluster

What Goes in a SEFA?

- Total federal awards expended for each federal program and the CFDA number/Assistance Listing Number
 - Generally, list each grant separately
 - Subtotal each CFDA/ALN if there are multiple grants in a single CFDA/ALN
 - Subtotal each Cluster if there are multiple grants in the cluster
- If no CFDA number, another identifying number
 - Occasionally no CFDA number is available
 - Put grant number to identify

What Goes in a SEFA?

- Identifies total amount provided from each federal agency
- Identifies total amount provided to subrecipients from each federal program
 - Did District provide amounts to subgrantees?
 - If so, it must be listed
 - Do as column in SEFA

What Goes in a SEFA?

- For awards in which the entity is a subrecipient, the pass-through entity's name and the identifying number assigned
 - Grantor needs to be able to quickly determine which grants are “theirs”
 - However, still put in CFDA/AL number order; still cluster

What Goes in a SEFA?

- Determine SEFA meets minimum requirements of Uniform Grant Guidance and any other grantor requirements
 - Subtotals for each CFDA #/Assistance Listing Number
 - Subtotals for each cluster, even if only 1 CFDA/ALN in cluster
 - Federal grantor
 - Pass-through grantor, if applicable
 - Program or Cluster Title – Make sure it matches CY
 - Federal CFDA number or Assistance Listing Number
 - Pass-Through entity number, if applicable
 - Federal expenditures
 - Amounts provided to subrecipients



Cluster

- Required, not optional
 - Can only cluster items:
 - OMB identifies as clusters OR
 - State identifies as clusters and advises of compliance requirements OR
 - Research and development cluster
- CFDA numbers with similar compliance requirements
- Must label it as a cluster even if only one CFDA number is received
- Can find information in Compliance Matrix
- List in Compliance Supplement Part 5

Cluster example

Requirement	A	B	C	E	F	G	H	I	J	L	M	N
Program Number	Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment Real Property Management	Matching, Level of Effort, Earmarking	Period of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
10.000	Y	Y	Y	N	Y	N	N	N	Y	Y	N	Y
10.500	Y	Y	N	N	N	Y	Y	N	N	Y	Y	N
10.511	Y	Y	Y	N	Y	Y	N	N	N	Y	N	N
10.512	Y	Y	Y	N	Y	Y	N	N	N	Y	N	N
10.514	Y	Y	Y	N	N	N	N	N	N	Y	Y	N
10.515	Y	Y	Y	N	N	N	N	N	N	Y	Y	N
10.516	Y	Y	Y	N	Y	N	N	N	N	Y	Y	N
10.517	Y	Y	Y	N	Y	N	N	N	N	Y	Y	N
10.520	Y	Y	Y	N	Y	N	N	N	N	Y	Y	N
10.521	Y	Y	Y	N	Y	N	N	N	N	Y	Y	N
10.551/10.561	Y	Y	N	N	N	Y	N	Y	N	N	Y	Y
10.553/10.555/10.556/ 10.559	Y	Y	Y	Y	N	N	N	Y	Y	N	N	Y

What Goes in a SEFA?

- Value of Federal awards that are non-cash assistance including commodities
 - Considered Federal expenditures
- Additional information required by federal agencies or pass-through entities
 - MDE requires accrued revenue beginning and ending of year, cumulative PY expenses, receipts, and schedule of amounts to subrecipients

What Goes in a SEFA?

- If Nonfederal awards are included
 - Sometimes state awards are a percentage Federal and want to be on SEFA
 - Still need Federal only portion
 - Can have other things if required, but clearly segregate non-Federal
- Consider which grants are subject to Uniform Guidance
 - <https://us.aicpa.org/content/dam/aicpa/interestareas/governmentalauditquality/resources/singleaudit/uniformguidanceforfederalrewards/downloadabledocuments/gaqc-summary-of-applicability-for-new-coronavirus-related-fed-programs-20200616.pdf>
 - Beneficiary considerations: [CARES Grant Beneficiary Considerations \(michigan.gov\)](#)

Example SEFA – Audit Manual

Schedule of Expenditures of Federal Awards
Year Ended June 30, [REDACTED]

Example of commodities breakout

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Approved Award Amount	Accrued (Unearned) Revenue July 1, 2020	Prior Year Expenditures	Current Year Receipts	Current Year Expenditures	Accrued (Unearned) Revenue June 30, 2021
U.S. Department of Agriculture								
Passed through Michigan Department of Education								
Child Nutrition Cluster								
Non-cash assistance (commodities)								
National School Lunch Program - Entitlement Commodities	10.555		\$ 40,344	\$ -	\$ -	\$ 40,344	\$ 40,344	\$ -
National School Lunch Program - Entitlement Bonus	10.555		121	-	-	121	121	-
Total non-cash assistance			40,465	-	-	40,465	40,465	-
Summer Food Service Program for Children	10.559	200900	166,572	-	-	166,572	166,572	-
Summer Food Service Program for Children	10.559	210904	826,824	-	-	786,775	826,824	40,049
			993,396	-	-	953,347	993,396	40,049
Total Child Nutrition Cluster			1,033,861	-	-	993,812	1,033,861	40,049
Total U.S. Department of Agriculture			1,033,861	-	-	993,812	1,033,861	40,049
U.S. Department of the Treasury								
Passed through Michigan Department of Education								
Coronavirus Relief Fund								
COVID-19 MAISA - Device Purchasing program / Distance Learning	21.019	2020-21	46,542	-	-	46,542	46,542	-
COVID-19 103(2) District COVID Costs	21.019	2020-21	25,043	-	-	25,043	25,043	-
COVID-19 11p Coronavirus Relief Funds	21.019	2020-21	711,449	-	-	711,449	711,449	-
Total U.S. Department of Treasury			783,034	-	-	783,034	783,034	-
U.S. Department of Education								
Passed through Michigan Department of Education								
Title I Grants to Local Educational Agencies	84.010	2015301920	513,844	146,069	504,912	155,001	8,932	-
Title I Grants to Local Educational Agencies	84.010	2115302021	528,754	-	-	388,490	519,822	131,333
			1,042,598	146,069	504,912	543,491	528,754	131,333
Passed through Michigan Department of Education								
Rural Education	84.358	2006601920	45,955	1,403	45,928	1,403	-	-
Rural Education	84.358	2106602021	39,141	-	-	17,713	35,484	17,777
			85,096	1,403	45,928	19,116	35,484	17,777
Passed through Michigan Department of Education								
English Language Acquisition State Grants	84.365	2105702021	197	-	-	189	189	-
Passed through Michigan Department of Education								
Supporting Effective Instruction State Grants	84.367	2005201920	163,527	57,913	148,173	57,913	-	-
Supporting Effective Instruction State Grants	84.367	2105202021	108,836	-	-	66,457	94,421	27,966
			272,363	57,913	148,173	124,370	94,421	27,966

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

What Goes Wrong?

- District doesn't know what CFDA/ALN number a grant belongs to
 - Wrong major programs selected
 - Items incorrectly excluded from testing a major program
 - Items incorrectly included in testing of a major program
 - Wrong compliance requirements tested
- Clusters not properly determined
 - Same issues as wrong CFDA/ALN numbers
- Totals by CFDA/ALN or cluster are not proper
 - Same issues as wrong CFDA/ALN numbers



What Goes Wrong?

- Expenditures are incorrect/recorded to wrong CFDA/AL number
 - Wrong major programs selected
 - Wrong population tested for compliance
- Funding source information presented is wrong
 - Funder may question legitimacy
 - Funder may require you to restate your SEFA

Best Practice

- Start with the prior year SEFA
 - If your auditors format it, request their final PY copy to start from
- Roll forward the numbers that are in the end of year accrued column to be the ones accrued at the beginning of the year.
- Update active grants for current year expenditures and amounts received and verify the end of year accrued amount matches your receivable listing.
 - Beginning of the Year Accrued Amount – CY Receipts + Expenditures = End of Year Accrued Amount
- Add any new grants to the schedule
- Remove any grants that are no longer active.

Best Practice

		BUDGET	EXPENDITURES	Rec'd by FYE	Requested after FYE		Total A/R	REVENUE	Balance	Jul-Sep	CY DS-4044	Carryover	
					July	Aug							
OS	4470	96,442	96,442.00	53,516.59		42,925.41	42,925.41	96,442.00	-		96,442.00	-	
MEGS+	6010	194,505	175,893.34	173,892.71		2,000.63	2,000.63	175,893.34	18,611.66		175,893.34	18,611.66	Done
MEGS+	6011	-	-	-			-	-	-		N/A	N/A	
MEGS+	6710	28,880	25,381.85	-		25,381.85	25,381.85	25,381.85	3,498.15		25,381.85	3,498.15	
MEGS+	6711	6,214	6,213.76	6,213.76		-	-	6,213.76	-		6,213.76	-	
MEGS+	6840	43,883	15,815.77	15,996.15		(180.38)	(180.38)	15,815.77	28,067.23		15,815.77	28,067.23	
MEGS+	6841	4,784	4,783.46	4,783.46			-	2,190.20	0.54		N/A	N/A	
MEGS+	6842	3,245	751.62	441.42		310.20	310.20	751.62	2,493.38		751.62	2,493.38	Wayne Resa
MEGS+	6843	-	-	-			-	-	-		N/A	N/A	
MEGS+	7530	39,068	4,259.20	958.00		3,301.20	3,301.20	4,259.20	34,808.80		4,259.20	34,808.80	
MEGS+	7660	184,303	52,812.00	-		52,812.00	52,812.00	52,812.00	131,491.00		52,812.00	131,491.00	
MEGS+	7661	7,114	7,113.76	7,113.76		-	-	7,113.76	0.24		7,113.76	0.24	
MEGS+	7960	128,680	403.52	-		403.52	403.52	403.52	128,276.48		403.52	128,276.48	
State Aid	7980	64,114	-	64,113.84		(64,113.84)	(64,113.84)	-	64,113.84		-	64,113.84	
OS	8010	1,302,237	1,239,777.00	983,847.85		255,929.15	255,929.15	1,239,777.00	62,460.00		1,239,777.00	62,460.00	Oakland Schools

Commodities

Distribution	\$ 79,944.15
Bonus	\$ 103.60
	<u>\$ 80,047.75</u>

Recipient Entitlement Balance Report School Year 2019-2020

Print Date: 07/02/2020

Distributor: GLC-BR

Royal Oak Schools

FINAL

Sponsor Agreement Number: 63040

800 DeVillan Avenue

ROYAL OAK, MI 480734228

	Processed	Brown Box	(Proc + BB) Total	DoD	Total	Balance	(Bonus)
July	0.00	0.00	0.00	0.00	0.00	106,063.15	0.00
August	1,812.11	349.38	2,161.49	0.00	2,161.49	103,901.66	0.00
September	7,453.25	2,147.18	9,600.43	3,248.29	12,848.72	91,052.94	0.00
QTD (1)	9,265.36	2,496.56	11,761.92	3,248.29	15,010.21		0.00
October	9,529.23	1,578.55	11,107.78	3,858.11	14,965.89	76,087.05	103.60
November	6,194.36	1,428.92	7,623.28	2,597.18	10,220.46	65,866.59	0.00
December	5,817.76	936.29	6,754.05	2,216.20	8,970.25	56,896.34	0.00
QTD (2)	21,541.35	3,943.76	25,485.11	8,671.49	34,156.60		103.60
January	7,165.25	1,607.47	8,772.72	2,822.19	11,594.91	45,301.43	0.00
February	7,250.02	1,012.89	8,262.91	2,883.98	11,146.89	34,154.54	0.00
March	4,169.41	1,596.02	5,765.43	140.34	5,905.77	28,248.77	0.00
QTD (3)	18,584.68	4,216.38	22,801.06	5,846.51	28,647.57		0.00
April	1,345.86	0.00	1,345.86	0.00	1,345.86	26,902.91	0.00
May	543.38	0.00	543.38	0.00	543.38	26,359.53	0.00
June	240.53	0.00	240.53	0.00	240.53	26,119.00	0.00
QTD (4)	2,129.77	0.00	2,129.77	0.00	2,129.77		0.00
Total Distribution	51,521.16	10,656.70	62,177.86	17,766.29	79,944.15	26,119.00	103.60

Entitlement Dollars: \$106,063.15 (292,588 Meals @ 0.3625 Meal Rate)

	Single Bank	Brown Box	DoD	Total
Entitlement	77,406.45	10,656.70	18,000.00	106,063.15
Distributions	51,521.16	10,656.70	17,766.29	79,944.15
Balance	25,885.29	0.00	233.71	26,119.00
% Usage	66.56%	100.00%	98.70%	75.37%
Carryover/Giveaway	0.00	0.00	0.00	0.00
Reallocated Balances	20,110.85	0.00	0.00	20,110.85
Adjusted Balance	45,996.14	0.00	233.71	46,229.85

Non-Cash example

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Unearned) Revenue at July 1, 2019	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Unearned) Revenue at June 30, 2020	Subrecipients
U.S. Department of Agriculture								
Passed through the Michigan Department of Education								
Child Nutrition Cluster								
National School Breakfast Program:	10.553							
2018-2019 - 191970		\$ 66,252	\$ 53,564	\$ -	\$ 12,688	\$ 12,688	\$ -	\$ -
2019-2020 - 201970		62,803	-	-	62,803	62,803	-	-
Total National School Breakfast Program		129,055	53,564	-	75,491	75,491	-	-
National School Lunch Program:								
Cash Assistance	10.555							
2018-2019 - 191960		482,752	427,399	-	55,353	55,353	-	-
2019-2020 - 201960		292,838	-	-	292,838	292,838	-	-
2019-2020 - 200902		192,228	-	-	192,228	237,183	44,955	-
Total Cash Assistance		967,818	427,399	-	540,419	585,374	44,955	-
Summer Food Service Program (SFSP)	10.559							
2018-2019 - 190900		1,880	275	275	1,605	1,330	-	-
2019-2020 - 191900		137	-	-	137	137	-	-
Total Cash Assistance		2,017	275	275	1,742	1,467	-	-
Non-cash Assistance:								
Entitlement commodities - 2019-2020		80,048	-	-	80,048	80,048	-	-
Total Non-cash Assistance		80,048	-	-	80,048	80,048	-	-

Where to get information for the SEFA

- Compare CFDA/AL numbers and Agency names to grant documents
 - Every grant with Federal funds should indicate the CFDA number; make sure it matches exactly
 - Agency name may be in the grant (make sure it matches exactly) or can be determined based on CFDA/AL number
 - If no CFDA/AL number is listed
 - Grantor hasn't followed the rules
 - Typically, would suggest requesting information directly from grantor
 - Last resort, search <https://beta.sam.gov/>
- Verification of payments from the ISD, when applicable

To Get to GAR

- Grant Auditor Reports (GAR)
 - Located in NexSys
 - Reports
 - Grant auditor reports
 - PDF
 - District Code in Agreement Number
 - Select your project start and end date (FY)
 - Grant Auditor Report Screen
 - District Code in Agreement Number
 - Select your project start and end date
 - Download to Excel

Grant Auditor Report

Grant Auditor Report

63040

7/1/2019 - 6/30/2020

ISD 63

Royal Oak Schools
800 DeVillen Avenue
ROYAL OAK, MI 480734228

Grant #	Project #	Project End Date	Allocation	Approved	Paid During Date Range	Cumulative Payments	Balance Approved-Cumulative	Final Expenditure Report?
10.553								
School Breakfast Program								
191970	1219		\$0.00	\$12,688.26	\$12,688.26	\$12,688.26	\$0.00	None
201970	120		\$0.00	\$15,089.26	\$15,089.26	\$15,089.26	\$0.00	None
201970	220		\$0.00	\$10,474.06	\$10,474.06	\$10,474.06	\$0.00	None
201970	320		\$0.00	\$9,691.95	\$9,691.95	\$9,691.95	\$0.00	None
201970	420		\$0.00	\$11,454.22	\$11,454.22	\$11,454.22	\$0.00	None
201970	520		\$0.00	\$10,307.60	\$10,307.60	\$10,307.60	\$0.00	None
201970	620		\$0.00	\$5,785.66	\$5,785.66	\$5,785.66	\$0.00	None
Total for 10.553			\$0.00	\$75,491.01	\$75,491.01	\$75,491.01	\$0.00	
10.555								



Prior year SEFA for Information for Continuing Grants

June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Unearned) Revenue at July 1, 2018	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Unearned) Revenue at June 30, 2019	Subrecipients
U.S. Department of Agriculture								
Passed through the Michigan Department of Education								
Child Nutrition Cluster								
National School Breakfast Program:	10.553							
2017-2018 - 181970		\$ 65,127	\$ 59,929	\$ -	\$ 5,198	\$ 5,198	\$ -	\$ -
2018-2019 - 191970		53,564	-	-	53,564	53,564	-	-
Total National School Breakfast Program		118,691	59,929	-	58,762	58,762	-	-

CY SEFA example

June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Unearned) Revenue at July 1, 2019	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Unearned) Revenue at June 30, 2020	Subrecipients
U.S. Department of Agriculture								
Passed through the Michigan Department of Education								
Child Nutrition Cluster								
National School Breakfast Program:	10.553							
2018-2019 - 191970		\$ 66,252	\$ 53,564	\$ -	\$ 12,688	\$ 12,688	\$ -	\$ -
2019-2020 - 201970		<u>62,803</u>	<u>-</u>	<u>-</u>	<u>62,803</u>	<u>62,803</u>	<u>-</u>	<u>-</u>
Total National School Breakfast Program		<u>129,055</u>	<u>53,564</u>	<u>-</u>	<u>75,491</u>	<u>75,491</u>	<u>-</u>	<u>-</u>

PY Award from PY SEFA \$53,564.00

CY from GAR \$12,688.26

Total to put on this year SEFA \$66,252.26



More examples - PY

June 30, 2019								
Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Unearned) Revenue at July 1, 2018	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Unearned) Revenue at June 30, 2019	Subrecipients
Passed through the Michigan Department of Education								
Adult Basic Education: Project number 181130-181137	84.002	\$ 28,880	\$ 20,790	\$ 19,879	\$ 19,879	\$ -	\$ -	\$ -
Title I Part A:	84.010							
Project number 181530-1718		328,687	289,492	68,797	79,936	11,139	-	-
Project number 191530-1819		307,584	-	-	199,238	270,311	71,073	-
Total Title I		636,271	289,492	68,797	279,174	281,450	71,073	-
Title III Part A:	84.365							
Project number 170580-1617 LEP		28,996	16,355	3,383	7,528	4,145	-	-
Project number 190570-1819 IMMIGRANT		7,139	-	-	3,999	6,633	2,634	-
Project number 190580-1819 LEP		36,509	-	-	17,160	19,383	2,223	11,277
Total Title III Part A		72,644	16,355	3,383	28,687	30,161	4,857	11,277
Title II Part A:	84.367							
Project number 180520-1718		191,579	93,173	3,262	6,724	3,462	-	-
Project number 190520-1819		226,677	-	-	90,198	119,582	29,384	-
Total Title II Part A		418,256	93,173	3,262	96,922	123,044	29,384	-
Title IV:	84.424							
Project number 181750-1718		10,000	3,249	259	259	-	-	-
Project number 181750-1819		25,857	-	-	4,443	4,443	-	-
Total Title IV		35,857	3,249	259	4,702	4,443	-	-



More Examples - CY

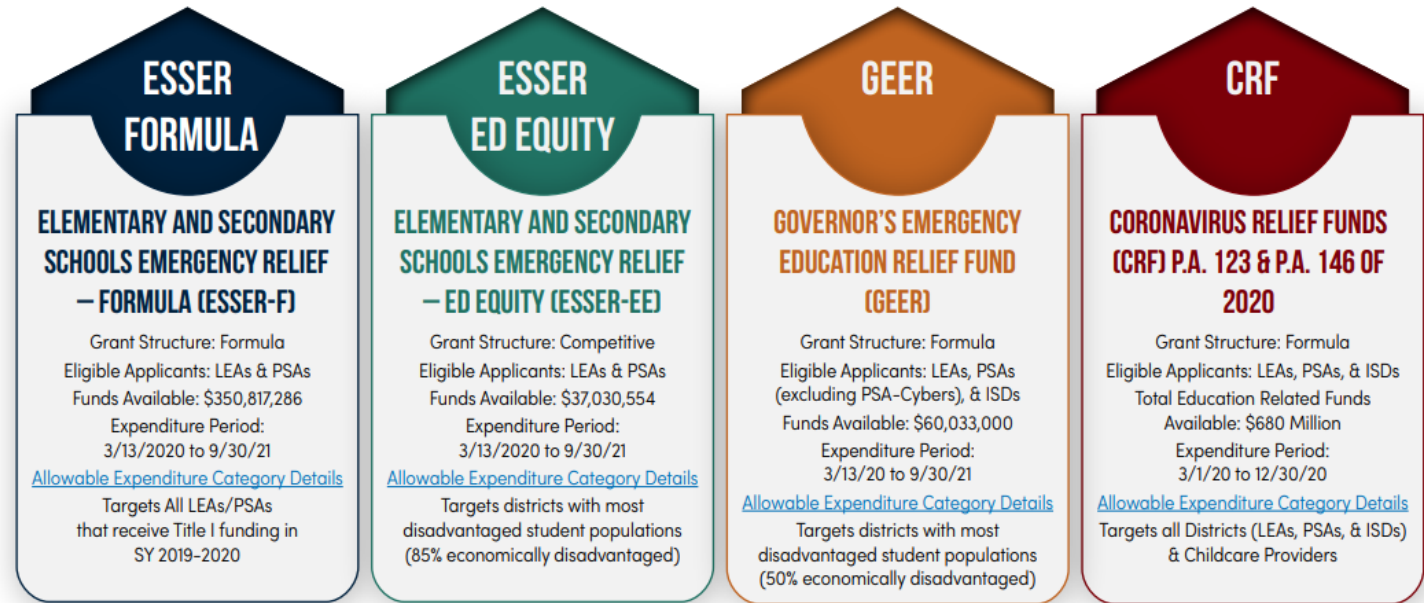
June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Unearned) Revenue at July 1, 2019	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Unearned) Revenue at June 30, 2020	Subrecipients
Passed through the Michigan Department of Education								
Adult Basic Education: Project number 201130-201137	84.002	28,880	-	-	-	25,382	25,382	-
Title I Part A: Project number 191530-1819 Project number 201530-1920	84.010	307,584 192,114	270,311 -	71,073 -	71,073 173,893	- 175,893	- 2,000	- -
Total Title I		499,698	270,311	71,073	244,966	175,893	2,000	-
Title III Part A: Project number 190570-1819 IMMIGRANT Project number 190580-1819 LEP Project number 200570-1920 IMMIGRANT Project number 200580-1920 LEP	84.365	7,139 36,509 3,245 43,883	6,633 19,383 - -	2,634 2,223 - -	2,634 7,006 441 15,996	- 4,783 751 15,816	- - 310 (180)	- - - 11,494
Total Title III Part A		90,776	26,016	4,857	26,077	21,350	130	11,494
Title II Part A: Project number 190520-1819 Project number 200520-1920	84.367	\$ 226,677 184,303	\$ 119,582 -	\$ 29,384 -	\$ 36,498 -	\$ 7,114 52,812	\$ - 52,812	\$ - -
Total Title II Part A		410,980	119,582	29,384	36,498	59,926	52,812	-
Title IV: Project number 200750-1920	84.424	39,068	-	-	958	4,259	3,301	-



COVID Grant Considerations and Resources

- Cares Act and Coronavirus Relief (CRF) information
 - [Link to general information](#)
 - [Link to MSBO information](#)



As of 09/02/2020
Find more information on these grants at www.michigan.gov/mde, search CARES Act.



Coronavirus Relief Funds (CRF) Breakdown

One Time Appropriations:

P.A. 123: \$143,000,000 to MDE

- Sec. 103 = \$125,000,000 for child care
- Sec. 103(2) = \$18,000,000 for instructional recovery programs, benchmark assessments, and health and safety - (\$12/pupil)

P.A. 123: \$327,500.00 to Treasury

- Sec. 602 = \$25,000,000 appropriation flow through to MAISA for device purchasing program and distance learning

P.A. 146: \$512,000,000

- Sec. 11p = COVID-19 response efforts - (\$350/pupil)



Financial Accounting Guidance- Example

- https://www.michigan.gov/mde/-/media/Project/Websites/mde/OFM/State-Aid/Bulletin-1022/COVID19_Accounting_Guidance.pdf

Financial Accounting Guidance During the COVID-19 Pandemic

Last Updated January 21, 2022

This guidance is intended to assist districts in accounting for financial transactions that are new or different than those made in a typical school year, including those related to new federal funding sources under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and American Rescue Plan (ARP) Act. This publication will be updated frequently as MDE continues receiving additional questions from districts and information regarding state and federal financial reporting requirements.

(NEW) Accounting for the receipt and expenditures of Emergency Connectivity Fund (ECF) funding.....	2
(NEW) Accounting for the Fall 2021 Child Care Relief Funds (aka Child Care Sustainability Grant).....	2
Accounting for Elementary and Secondary School Emergency Relief (ESSER III) Funds under the American Rescue Plan (ARP) Act.....	2
Revenue and Expenditure Recognition Considerations.....	3
Public Act 3 of 2021 (incl. ESSER II Discretionary & SAF) Overview and Accounting Guidance	3
Accounting for CRF “11p – CORONAVIRUS RELIEF FUNDS” Funds	5
Accounting for CRF “103(2) – District COVID Costs” Funds	6
Accounting for Coronavirus Relief Funds not received through MDE.....	7
Accounting for “11d – SAF REVENUE SHORTFALL REDUCTION”	7
Accounting for Elementary and Secondary School Emergency Relief (ESSER) Funds under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.....	8
Accounting for ESSER Education Equity Funds	8
Accounting for Governor’s Emergency Education Relief (GEER) Fund Grant.....	8
Accounting for New and Existing Federal Funding for Child Care Grants and Relief Funds.....	9
Accounting for Personal Protective Equipment Expenditures	9
Internal tracking of “additional” expenditures incurred as a result of the COVID-19 pandemic.....	10
Expenditures related to implementing distance learning in 2020-21 and beyond	10
(UPDATED) Accounting for food service-related revenues and expenditures	11
Questions	12



2021-2022 SEFA considerations

Identification of COVID-19 Related Awards on the SEFA and SF-SAC

As described in 2 CFR section 200.510(b), auditees must complete the SEFA and include Assistance Listing numbers when reporting their federal awards and subawards. To maximize the transparency and accountability of COVID-19 related award expenditures, OMB M-20-26 (June 18, 2020) instructed recipients and subrecipients to separately identify the COVID-19 Emergency Acts expenditures on the Schedules of Expenditures of Federal Awards. Therefore, non-federal entities should separately identify COVID-19 expenditures on the SEFA and SF-SAC. For existing programs that have both COVID-19 expenditures and non-COVID-19 expenditures, this may be accomplished by identifying COVID-19 expenditures on the:

- SEFA – On a separate line by Assistance Listing number with “COVID-19” as a prefix to the program name. For example:
 - COVID-19 – Temporary Assistance for Needy Families – 93.558 – \$1,000,000
 - Temporary Assistance for Needy Families – 93.558 – \$3,000,000
 - Total – Temporary Assistance for Needy Families – 93.558 – \$4,000,000
- SF-SAC – On a separate row by Assistance Listing number with “COVID-19” as the first characters in Part II, Item 1c, Additional Award Information. Example:

	a	b	c	d	e	f	g	h
	Assistance Listing #	Assistance Listing #						
Row Number (auto-generated)	Federal Awarding Agency Prefix	Assistance Listing Three-Digit Extension	Additional Award Identification	Federal Program Name	Amount Expended	Cluster Name	Federal Program Total (auto-generated)	Cluster Total (auto-generated)
					(\$)		(\$)	(\$)
1	93	558		TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	\$3,000,000.00		\$4,000,000.00	
2	93	558	COVID-19	COVID-19 - TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	\$1,000,000.00		\$4,000,000.00	
				Total Federal Awards Expended =	\$4,000,000.00			



2021-2022 SEFA considerations

Identification of COVID-19 Related Awards in Audit Findings

Consistent with identifying COVID-19 expenditures on the SEFA, auditors should include the COVID-19 identification for audit findings that are applicable to programs that are entirely COVID-19 funded and existing programs with COVID-19 funding.



2022 SEFA Reporting

- Follow FEMA guidance that has been included in the federal compliance supplement

2. If the non-federal entity incurs eligible expenditures in its fiscal year 2014 and FEMA approves the non-federal entity's PW in the non-federal entity's fiscal year 2015, the non-federal entity records the eligible expenditures in its fiscal year 2015 SEFA with a footnote that discloses the amount included on the SEFA that was incurred in a prior year.



2022 SEFA reporting

- Utilize the COVID 19 Accounting Guidance

- https://www.michigan.gov/mde/-/media/Project/Websites/mde/OFM/State-Aid/Bulletin-1022/COVID19_Accounting_Guidance.pdf

Many districts will not have grant agreements in place for ESSER II Formula (specifically the second round of funding released in PA 47 of 2021), ESSER II discretionary items under PA 3 of 2021, and other programs until one or two fiscal years *after* the beginning of the allowable expenditure period. **Until revenue of a given funding source can be recognized, the Grant Code of that program should not be used when reporting incurred or anticipated expenditures.** Districts may choose to create and use a 9xx Grant Code to track expenditures incurred before revenue is recognized for a funding source if those funds are eventually intended to cover those expenditures. Then, in the fiscal year when revenue can be recognized, “net-zero reclassifying entries” similar to those examples provided for Coronavirus Relief Fund accounting may be used to tie those expenditures to the appropriate grant funds:

Using \$10,000 of teacher salaries as an example below, a net-zero expenditure should be added to FYxx reporting to ensure “___ grant” expenditures across all fiscal years of the expenditure period match revenues reported across FID, audited financial statements, and other documentation:

Debit	11-113-1240- <u>xxx0</u>	\$10,000
Credit	11-113-1240-0000	\$10,000



2022 SEFA Reporting

- ESSER Related Grant Programs
 - Utilize appropriate grant codes to recognize revenues and expenditures
 - Verify used for eligible purchases
 - Talk to auditor about any reclassifications or timing of when to pull samples



2022 SEFA Reporting - ECF

- Consider Emergency Connectivity Funding
 - Per MDE - Major class 419 Suffix 0000 for revenue and grant code 440 for expenditures
 - ALN Per MDE 32.009



2022 SEFA Reporting - Child Care Stabilization Grant

- Revenue: Major Class Code 414, Suffix 0250
- Expenditures: Grant Code 701
- **Frequently asked questions**
 - [Child Care Stabilization Grant Frequently Asked Questions \(michigan.gov\)](#)

40. Are child care stabilization subgrants considered "payments made to beneficiaries of a federal program," as described in 45 CFR 75.2, similar to direct child care subsidies paid under the voucher program? Or are these considered "sub-recipients"?

Child Care Stabilization subgrants includes in the ARP Act are benefits to a child care provider and are considered payments made to beneficiaries of a federal program, which is the same as with child care subsidies under the voucher program. Providers receiving stabilization subgrants are not categorized as "sub-recipients" as defined at 45 CFR 75.2.



2022 SEFA Reporting - IDEA

- IDEA-ARP Grant Code is 436 and is under ALN/CFDA 84.027X
- Grant Code is 437 for 84.173X ARP-IDEA Preschool is under ALN/CFDA 84.173X
- Grant Code is 438 for 84.181X ARP-IDEA Part C (Infants and Toddlers) ALN/ CFDA 84.181X



2022 SEFA Reporting - Nutrition

- Nutrition grant code resource:

- https://www.michigan.gov/documents/mde/Food_Service_Fund_Grant_Coding_SY_21-22_Posting_Version_742165_7.xlsx



SEFA Double Checks – Things Your Auditors Will Look For

- Trace material amounts (revenues and expenditures) to the GL, TB, or other sources
 - Trace to general ledger
 - Consider expenditures that were actually included in the PY audit
 - Use of Grant codes will help!
 - Do these numbers match? If not, is there a footnote describing why?
 - What other columns on SEFA should match a TB account?
 - If don't match, could have issues with wrong major programs, wrong testing, wrong compliance opinions

Disclosure example

Note 3 - Reconciliation to the Financial Statements

Federal revenues per the financial statements	\$ 2,605,227
Less federal reimbursed interest	<u>(31,051)</u>
Federal revenues per Schedule of Expenditures of Federal Awards	<u>\$ 2,574,176</u>

SEFA Double Checks – Things Your Auditors Will Look For

- Trace amounts to the grant auditor reports
 - What the state says they gave the District, should be revenue
 - Differences should be accounts receivable (more revenue than received) or deferred revenue (more cash than earned)
 - Revenue = expenditure
 - If amounts don't trace, could mean:
 - A timing difference - which needs to be disclosed
 - District didn't record something correctly
 - Wrong amounts in audited financials, wrong major programs, wrong testing, wrong compliance opinions

SEFA Double Checks – Things Your Auditors Will Look For

- Test the mechanical accuracy
 - Make sure it foots
 - Make sure both subtotals and totals are correct
 - If we have multiple columns, make sure it cross foots
 - If it didn't really foot, auditors will use incorrect information in major program determination and not test the correct items



SEFA Double Checks – Things Your Auditors Will Look For

- Compare or reconcile to the audited financial statements
 - Revenue should = expenses for Federal grants
 - Should be able to match Federal revenues to line item(s) in financial statements
 - Should know the reconciling items
 - 60-day rule could result in revenue reconciling items
 - Verifying ALL Federal expenditures are properly included on SEFA
- Compare the schedule to prior year schedule
 - If there were grants last year that are gone this year, are we sure they were completed?
 - Schools have different grant numbers each year; may have 2 grants per year since state is 9/30 year end

SEFA Double Checks – Things Your Auditors Will Look For

- Expenditures do not exceed grant awards
- Notes include
 - Significant accounting policies
 - Whether or not de minimus indirect cost rate is used
 - Related party transactions in Federal awards
 - Specific for School Districts in Michigan
 - Explain adjustments
 - Reconcile to GAR if necessary
 - Additional information on subrecipients

Objectives

- Discuss when a SEFA is required
- Discuss proper recording of revenues and expenditures
- Demonstrate how to create a SEFA
- Discuss where to find pertinent information
- Discuss what auditors will look at
- Understand the importance of the SEFA being correct

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Thank you!

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