

Everything SEFA (Plus Some ARPA)

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Agenda

- Schedule of Expenditures of Federal Awards
 - Identifying Federal Awards (and State Financial Assistance)
 - What to Include on the SEFA
 - When to Include on the SEFA
 - Checking Your Work



Schedule of Expenditures of Federal Awards (and State Financial Assistance)

What is the SEFA?

- Supplemental Information to the Basic Financial Statements
- Basis for the Single Audit
- Shows the total amount expended during the audit period for each individual Federal program/cluster



Preparing the SEFA Audit Schedule

Preparing the SEFA Audit Schedule

- This audit schedule is used to:
 - Confirm expenditure threshold is met for the Federal and/or State Single Audit
 - Can be used to:
 - Tie out grant-related accrued receivables (due from other governments) & unearned grant revenue
 - Confirm completeness of grant-related accrued receivables & unearned grant revenue

Identifying Awards & Financial Assistance

- Federal Awards
 - Direct
 - Passed through State or other organization
- State Financial Assistance
 - Direct
 - Passed through County or other organization
- Local grants
 - Example: Some SJRWMD grants, county grant sourced from local sales tax



Preparing the SEFA Audit Schedule

- Checking completeness
 - Grant-related state revolving loan funds
 - Make sure to capture SRLF activity
 - **Note:** these are loans from the Federal government to the State – on subrecipient’s SEFA, these are not reported as “loans” or “loan guarantees”
 - Intergovernmental revenue and grant funds
 - Go through intergovernmental revenue accounts (Federal and state functions especially)
 - Ensure proper identification of “local” grants
 - Capital contributions

Preparing the SEFA Audit Schedule

- Checking completeness
 - Project expenditure accounts
 - Since SEFA is typically expenditure driven (but not always), make sure grant project expenditures are captured in the SEFA and that the related revenue recorded makes sense for the grant.
 - Consider proper retainage calculations, which may result in difference between expenditures on SEFA vs. expenditures in GL
 - For some grants, retainage should not be included in recognized SEFA expenditures until the project is complete.
 - Approved budget & amendment(s)
 - Minutes of the governing body
 - Review by Grant Managers
 - Consider having grant managers review how large grants are recorded on the SEFA to ensure they agree.

Preparing the SEFA Audit Schedule

- Checking accuracy
 - Confirm ALN or CSFA number by agreeing it to the grant or contract
 - If not shown on grant or contract, need to contact awarding agency
 - Florida Statutes require the awarding agency to include CSFA number on the contract
 - If not included on the contract, likely the contract is an appropriation not subject to the Florida Single Audit

Preparing the SEFA Audit Schedule

- Checking accuracy
 - Check program name against the compliance supplement
 - Federal – can use CS or <https://sam.gov/content/home>
 - [Florida Single Audit Act \(fldfs.com\)](https://fldfs.com)
 - Can add additional identifying information after program name
 - Disaster Grants – Public Assistance (Hurricane Irma); or
 - Disaster Grants – Public Assistance
Hurricane Irma
Hurricane Dorian

Preparing the SEFA Audit Schedule

- Checking accuracy
 - Check if program is part of a cluster of programs
 - Part 5 of the CS
 - Have to identify the cluster even if you only have 1 program from the cluster
 - Watch for proper classification between federal and state
 - Federal grants that are passed-through state agency
 - Projects that have both federal & state monies
 - FEMA = federal award PLUS state appropriation (state appropriation not subject to Florida Single Audit)

Preparing the SEFA Audit Schedule

- Checking accuracy
 - Expenditures = amount the City is going to be reimbursed by the grantor / awarding agency
 - Need to report federal separate from state if both are used in funding the project
 - Do not include “match” or “local share” expenditures
 - If match or local share expenditures are included on the SEFA, must include for all grants or awards with a matching requirement & add note to that matching funds / local share is included in the expenditure amounts

Preparing the SEFA Audit Schedule

- Checking accuracy
 - FEMA
 - Include expenditures for PW's for the period in which the PW was ***obligated*** by the federal agency
 - Likely the expenditure amount will include amounts incurred in a prior audit period
 - Need to disclose the amount of the expenditures included in the current SEFA that were incurred in a prior audit period

Preparing the SEFA Audit Schedule

- Compare to prior year SEFA
 - Do the grants recorded and fluxes in grants make sense? Any grants last year that are missing this year?
- Check mathematical accuracy of the schedule
- Documentation of review by someone other than the preparer of the SEFA – provide to auditors

SEFA for Financial Report

Required Elements of the SEFA

- ALN (Assistance Listing Number) – Identifies the Federal Award
- CSFA (Catalog of State Financial Assistance) – Identifies the State Program
- ALN / CSFA – First 2 digits represent the agency. For example:
 - 16.XXX = US Department of Justice
 - 20.XXX = US Department of Transportation
 - 55.XXX = Florida Department of Transportation

Required Elements of the SEFA

US Department of Transportation

Indirect Programs:

Highway Safety Cluster

Passed through Florida Department of Transportation:

State and Community Highway Safety

20.600

State and Community Highway Safety

20.600

Total Highway Safety Cluster

Total US Department of Transportation

Florida Department of Transportation

Direct Programs:

Aviation Grant Programs

Air Traffic Control Tower

55.004

Passenger Boarding Bridge 4 and 7

55.004

Northside Expansion

55.004

Apron Rehabilitation

55.004

Total Florida Department of Transportation

Required Elements of the SEFA

- Total federal awards expended for the period covered by the financial statements
 - Exceptions, e.g. FEMA, HEERF (revenue loss), certain economic development grants
- Program Title **MUST** match the compliance supplement
- Best Practice: To the extent possible, grants / awards should be listed in numerical order by ALN / CSFA

Required Elements of the SEFA

- Clusters of programs
 - Treated as one program for the Single Audit
 - Must show clusters even with only one ALN (one program) presented on SEFA
 - Show total expenditures for each cluster
- Individual programs with COVID-19-related expenditures listed separately
 - With the prefix “COVID-19” (CARES and ARPA)

Required Elements of the SEFA

- Listing of individual programs by agency
 - Total expenditures for each individual program
- *Assistance Listing Numbers (ALN)*
 - When ALN not available, number the program using the following protocol: AA.UXX
 - » AA = Agency identifying number
 - » U = “unidentified”
 - » XX = 01, 02, 03, etc.

Required Elements of the SEFA

US Department of Housing and Urban Development

Direct Programs:

CDBG - Entitlement Grants Cluster

Community Development Block Grant	14.218	B-17-MC-12-0012	\$ 29,768
Community Development Block Grant	14.218	B-18-MC-12-0012	96,861
Community Development Block Grant	14.218	B-19-MC-12-0012	55,766
Community Development Block Grant	14.218	B-20-MC-12-0012	335,484
COVID-19 Community Development Block Grant	14.218	B-20-MC-12-0012	208,095

Total CDBG - Entitlement Grants Cluster

725,974

HOME Investment Partnerships Program	14.239	M-16-MC-12-0203	65,716
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HOME Investment Partnerships Program	14.239	M-17-MC-12-0203	130,734
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Total HOME Investment Partnerships Program

196,450

Total US Department of Housing and Urban Development

922,424

US Environmental Protection Agency

Indirect Programs:

Clean Water State Revolving Funds Cluster

Passed through Florida Department of Environmental Protection:

Capitalization Grants for Clean Water State Revolving Funds	66.458	WW640970	4,511,690
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Total Clean Water State Revolving Funds Cluster

4,511,690

Total US Environmental Protection Agency

4,511,690

Required Elements of the SEFA

- Total amount provided to subrecipients
- Pass-through entities
 - Name of pass-through entity
 - Identifying number assigned by the pass-through entity
- Amount expended by program (or replaced lost revenue) from the Provider Relief Fund (ALN 93.498)

Required Elements of the SEFA

Federal Agency Pass-through Entity Federal Program/State Project	Assistance Listing Number	Grant Number/ Pass Through Entity Identifying Number	Expenditures	Transfers to Subrecipients
FEDERAL AWARDS:				
US Department of Housing and Urban Development				
Direct Programs:				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grant	14.218	B-17-MC-12-0012	\$ 29,768	\$ -
Community Development Block Grant	14.218	B-18-MC-12-0012	96,861	-
Community Development Block Grant	14.218	B-19-MC-12-0012	55,766	-
Community Development Block Grant	14.218	B-20-MC-12-0012	335,484	83,270
COVID-19 Community Development Block Grant	14.218	B-20-MC-12-0012	208,095	-
<i>Total CDBG - Entitlement Grants Cluster</i>			<u>725,974</u>	<u>83,270</u>
HOME Investment Partnerships Program	14.239	M-16-MC-12-0203	65,716	-
HOME Investment Partnerships Program	14.239	M-17-MC-12-0203	130,734	-
<i>Total HOME Investment Partnerships Program</i>			<u>196,450</u>	<u>-</u>
Total US Department of Housing and Urban Development			<u>922,424</u>	<u>83,270</u>
US Department of the Treasury				
Indirect Programs:				
<i>Passed through Florida Housing Finance Corporation</i>				
COVID-19 Coronavirus Relief Fund	21.019	125-2020	220,837	-
Total US Department of the Treasury			<u>220,837</u>	<u>-</u>
US Department of Health and Human Services				
Direct Programs:				
<i>COVID-19 Provider Relief Fund</i>				
Replaced Lost Revenue	93.498	DS-54205858466	493,517	-
Total US Department of Health and Human Services			<u>493,517</u>	<u>-</u>

Required Elements of the SEFA

- Total Federal awards expended

Total Expenditures of Federal Awards

\$ 8,768,364

\$ 83,270

- Total amount expended for loan or loan guarantee programs
 - Value of new loans made or received
 - Balance of loans from prior year(s) as of beginning of audit period if there are continuing compliance requirements
 - Some exceptions – look in the Compliance Supplement (CS)
 - CWSRF/DWSRF
 - Water and Waste Disposal Systems for Rural Communities

Required Elements of the SEFA

- Value of awards expended in the form of “other” types of assistance
 - Loans, loan guarantees or endowments
 - Noncash assistance
 - Food commodities
 - Donated property including surplus property
 - Free rent
- Awards under R&D clusters listed by:
 - Individual award, or
 - Federal agency and major subdivision within the agency

Required Elements of the SEFA

- Other information as required by awarding agencies or pass-through entities
- If non-Federal awards are presented:
 - Clearly segregated from Federal awards
 - Clearly identified as non-Federal
 - Separate totals for Federal vs. non-Federal
 - Title modified to indicate non-Federal awards are included
 - *Schedule of Expenditures of Federal Awards and State Financial Assistance*

Required Elements of the SEFA

State Agency, Pass-through Entity, State Project	CSFA Number	Grant Number/ Pass Through Entity Identifying Number	Expenditures
STATE FINANCIAL ASSISTANCE:			
Florida Department of Environmental Protection:			
Direct Programs:			
Statewide Surface Water Restoration and Wastewater Projects:			
Bennett Swamp	37.039	LP64095	\$ 110,227
Wastewater Treatment Facility Construction:			
Clean Water State Revolving Loan	37.077	WW640930	18,444,452
Total Florida Department of Environmental Protection			<u>18,554,679</u>
Florida Housing Finance Corporation			
Direct Programs:			
State Housing Initiatives Partnership Program (SHIP)	40.901		67,276
Total Florida Housing Finance Corporation			<u>67,276</u>
Florida Fish and Wildlife Conservation Commission			
Direct Programs:			
Derelict Vessel Removal	77.005	19243	107,830
Total Florida Fish and Wildlife Conservation Commission			<u>107,830</u>
Florida Department of Transportation			
Direct Programs:			
Aviation Grant Programs			
Air Traffic Control Tower	55.004	438452-2-94-01	45,035
Passenger Boarding Bridge 4 and 7	55.004	438452-1-94-03	239,747
Northside Expansion	55.004	447465-1-94-01	103,632
Apron Rehabilitation	55.004	447465-2-A8-01	404,793
Total Florida Department of Transportation			<u>793,207</u>
Total Expenditures of State Financial Assistance			<u>\$ 19,522,992</u>

Notes to the SEFA

- Significant accounting policies
- Whether or not elected to use 10% de minimis indirect cost rate
- Balances of loan / loan guarantee programs outstanding at the end of the audit period for loans described in 2 CFR section 200.502(b)
- FEMA expenditures incurred in a prior period, if applicable
- FMV of donated, federally-funded PPE
- Other information as required

Amounts on the SEFA

- 2 CFR 200.502, Basis for determining Federal awards expended
- Expenditures reported on SEFA “when the activity related to the Federal award occurs”
 - Activity pertains to events that require the non-Federal entity to comply with Federal statutes, regulations, and the terms and conditions of Federal awards.
- May differ from financial statement presentation

Amounts on the SEFA (continued)

- Expenditure/expense transactions associated with awards
- Disbursement of funds to subrecipients
- Use of loan proceeds under loans and loan guarantee programs
 - SRF loans – these are loans from the Federal government to the State – on subrecipient’s SEFA, these are not reported as “loans” or “loan guarantees”

Amounts on the SEFA (continued)

- Receipt of property and surplus property
- Receipt or use of program income
 - Gross income earned by the government directly generated by a supported activity
 - Interest earned on advances is not program income
- Distribution or use of food commodities
- Disbursement of amounts entitling the non-Federal entity to an interest subsidy

Amounts on the SEFA (continued)

- Other items:
 - FEMA: ALN 97.036 Disaster Grants – Public Assistance
 - Expenditures recorded on SEFA when FEMA has ***obligated*** the Project Worksheet and the expenditures have been ***incurred***
 - FloridaPA.org

Amounts on the SEFA (continued)

- Other items:
 - Advances under SLFRF (ARPA)
 - Report on SEFA as expended / expensed
 - Revenue Loss
 - Calculation determines the limit for funds that can be used to “provide government services”
 - Report as amounts are expended for eligible use
 - Other exceptions
 - “Unit-of-Service” or “Fee-for-Service” grant
 - Economic development
 - When in doubt, ask

Preparation of the SEFA

Tips and Tricks

Review Early and Often

- The SEFA audit schedule should be provided to the auditors as early as possible
- Avoid surprises
- Provide interim/draft with understanding of potential changes
 - Accruals or adjustments
 - Additional programs
 - Items disallowed by grantors

Best Practices – SEFA Completeness

- Approval process and accountability for all grant agreements
- Organized grant files
- Is it federal in origin?
 - ALN Number; DUNS number; 2 CFR 200; Uniform Guidance; Single Audit Act
- When in doubt, ask

Best Practices – SEFA Accuracy

- Periodic tracking of grant expenditures & reimbursements
- Separate accounting in the GL
- Subsidiary ledgers/spreadsheets
- Financial review of all reimbursements
 - Finance must be aware of all grant activity

Online Resources

- www.SAM.gov: Official program catalog with information, names and ALN numbers
- GAQC (Governmental Audit Quality Center) Auditee Resource Center:
<https://www.aicpa.org/interestareas/governmentalauditquality/resources/auditeeresourcecenter.html>

Online Resources

- Resources from GAQC*
[GAQC Uniform Guidance Resources \(aicpa.org\)](https://aicpa.org)
- OMB Compliance Supplement – July 2021
[2021 Compliance Supplement Addendum Final \(whitehouse.gov\)](https://www.whitehouse.gov)
– 2021 Addendum
[2021 Compliance Supplement Addendum 1 \(cfo.gov\)](https://www.cfo.gov)

**some content requires AICPA membership*

American Rescue Plan – Local Governments State & Local Fiscal Recovery Funds (SLFRF)

Distributions

- Metropolitan cities could request funding directly from the Treasury
- Non-Entitlement units have received funding from the State
- 50% of allocations were received beginning May 2021 and 50% to be received 12 months later

Eligible Expenses

- General rule-
 - It needs to be spent in response to the COVID-19 pandemic
 - Governments need to identify the negative impact from COVID-19 and how the spending of the funds will address that negative impact
- Expenses obligated between March 3, 2021 and December 31, 2024, and spent by December 31, 2026.

Public Health

- COVID-19 mitigation and prevention
 - Ventilation systems
 - Vaccination programs
 - Testing and contact tracing
- Medical Expenses
- Behavioral Health Care
 - Mental health treatment
 - Substance abuse
 - Hotlines
- Public Health and Safety Staff
 - Payroll and benefits for staff who are devoted to responding to COVID-19 health emergency.
 - Premium pay for essential workers

Negative Economic Impacts

- Assistance to Households

- Food
- Rent / mortgage
- Utility Assistance
- Legal Aid (eviction prevention)
- Internet access

Note- cash transfers must be proportional to the negative impact they are to address.

Negative Economic Impacts (continued)

- Job training for unemployed workers
- Small Businesses and Non-profits
 - Loan or grant programs for operations or COVID prevention/mitigation
- Rehiring local government staff
 - Payroll and benefits to rehire up to pre-pandemic levels

Negative Economic Impacts (continued)

- Aide to Impacted Industries
(Tourism, Travel and Hospitality)
 - Safe reopening, ventilation, barriers
- Housing
 - Homelessness
 - Increasing supply of affordable housing
 - Counseling

Negative Economic Impacts (continued)

- Education Disparities
 - Early learning (Head Start, VPK)
 - Tutoring, summer, and afterschool programs
 - Social, emotional and mental health needs of students
- Promoting Healthy Childhood Environments
 - Childcare
 - Services for kids in foster care

Infrastructure – Water/ Sewer

- Water and Sewer are in general for projects allowed under the Clean Water State Revolving Fund or Drinking Water State Revolving Fund

Categories include: treatment, distribution, storage, and cybersecurity of water, sewer, wastewater, and stormwater systems

Infrastructure- Broadband

- Projects need to increase upload and download speeds to 100 Mbps to unserved and underserved households
 - Underserved household cannot reliably receive at least 25 Mbps download speed and 3 Mbps upload speed

Lost Revenues

- Funding can replace lost revenues of general revenue.
 - General revenue are collected or retained by a local government and generated from its underlying economy
- These funds can be spent on government services
 - Maintenance, infrastructure (roads), cybersecurity, environmental remediation, public safety, etc.

Ineligible Expenses

Funds cannot be spent on:

- Contributing to reserves
- Pension plans
- Lost revenues resulting from a change in law (states)
- Match other grants (unless part of lost revenue category- Medicaid and CHIP ineligible regardless)
- Repayments on outstanding debt
- Infrastructure other than water, sewer and broadband (unless its is part of government services from a reduction in revenue)

ARPA Reporting due dates

Table 2: Reporting requirements by recipient type

Tier	Recipient	Interim Report	Project and Expenditure Report	Recovery Plan Performance Report
1	States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents	By August 31, 2021 or 60 days after receiving funding if funding was received by October 15, with expenditures by category.	By January 31, 2022, and then 30 days after the end of each quarter thereafter	By August 31, 2021 or 60 days after receiving funding, and annually thereafter by July 31
2	Metropolitan cities and counties with a population below 250,000 residents that are allocated more than \$10 million in SLFRF funding, and NEUs that are allocated more than \$10 million in SLFRF funding.	<p><i>Note: NEUs were not required to submit an Interim Report</i></p>	<p><i>Note: NEUs were not required to submit a Project and Expenditure Report on January 31, 2022. The first reporting date for NEUs will be April 30, 2022.</i></p>	
3	Tribal Governments that are allocated more than \$30 million in SLFRF funding			
4	Tribal Governments that are allocated less than \$30 million in SLFRF funding		By April 30, 2022, and then annually thereafter	
5	Metropolitan cities and counties with a population below 250,000 residents that are allocated less than \$10 million in SLFRF funding, and NEUs that are allocated less than \$10 million in SLFRF funding.			

ARPA reporting

- Treasury encourages
 - reporting projects under lost revenues if all of your award can be under lost revenues as there are fewer reporting requirements
 - claiming the standard allowance if your total award is less than \$10 million

Revenue Replacement

Revenue Replacement Key Inputs

[Import Previous Report Data](#)

* Is your jurisdiction electing to use the standard allowance of up to \$10 million, not to exceed your total award allocation, for identifying revenue loss?

No

2020

2021

* Base Year General Revenue

\$680,070,555.00

* Growth Adjustment Used

5.627%

* Year End Date

Sep 30, 2019

* Actual General Revenue

\$696,599,854.00

* Estimated Revenue Loss Due to Covid-19 Public Health Emergency

\$71,735,842.00

* Were Fiscal Recovery Funds used to make a deposit into a pension fund?

No

* Please provide an explanation of how revenue replacement funds were allocated to government services

Explanation

Salesforce Sans 12 **B** *I* U ^S

As of September 30th, 2020, the County calculated a Revenue Loss of \$21.7 million that is available for use for revenue replacement projects. As provided by Treasury guidance, the revenue replacement funds have been allocated to general government services for fire protection and other public safety services.



TODAY'S PRESENTER

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