



Statewide Accounting Policy & Procedure

Accounting Manual Reference:

Section: Schedule of Expenditures of Federal Awards (SEFA)
Sub-section: SEFA Reporting

Effective Date: 07/01/2016**Revision Date:** mm/dd/yyyy**Index:**[Policy Summary](#)[Business Process Policy Requirements](#)[Accounting Treatment](#)[Forms and Attachments](#)[Authority](#)[Applicability](#)[Definitions](#)**Policy Summary:**

In accordance with the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards¹ (commonly referred to as “Uniform Grant Guidance”), the State Accounting Office (SAO) annually prepares the Schedule of Expenditures of Federal Awards (SEFA). The SEFA is contained in the State of Georgia Single Audit Report and details information relating to federally awarded money.

This policy is intended to provide general accounting and reporting guidance to state organizations that submit data to SAO for use in the preparation of the SEFA.

Business Process Policy Requirements:

Organizations that receive and expend federal awards must submit certain information which is used to create the SEFA. Specifically, there is key information required to be in the SEFA, such as, the program name, amount, the Catalog of Federal Domestic Assistant (CFDA) Numbers, and other items. Currently this information is submitted by organizations via the Expenditures of Federal Awards web-based application located on the Department of Audits and Accounts (DOAA) website <https://www.audits.ga.gov/auth/login.aud>.

The list of CFDA numbers² is updated each year by the Federal Government, so organizations need to ensure they are submitting under the accurate CFDA numbers. As programs are discontinued the CFDA numbers are archived, and if expenditures are submitted under an archived CFDA number, documentation needs to be provided to show that the CFDA number was valid in that fiscal year. Additionally, at times there is not a CFDA number assigned to a program, so instead, the two-digit Federal agency identifier and the word “OFA” should be used (xx.OFA). For example, if the award without a CFDA number was received from the U.S. Department of Education (USDOE), the entry would be listed as 84.OFA. Moreover,

¹ This document combines the requirements previously contained in Office of Management and Budget (OMB) Circular A-133 along with other applicable OMB circulars.

² The lists and other information can be located at <https://www.cfda.gov>.

organizations must list expenditures of Federal awards under American Recovery and Reinvestment Act (ARRA) separately and the title of the award should begin with the prefix *ARRA*.

Accounting Treatment:

The organization's management is ultimately responsible for the proper accounting and reporting of the federal award information. Expenditures reported by organizations for the SEFA must be reported on the **GAAP basis of accounting** relevant to the reporting fund, and must be reconcilable to the amounts reported for financial statement purposes³. The GAAP basis of accounting for expenditures of general fund organizations is the modified accrual basis and expenditures of proprietary fund organizations is the full accrual basis. Please refer to the *Accounting Policy Manual (Basis of Accounting and Reporting: Overview)* posted on the SAO website for additional information on fund types at <https://sao.georgia.gov/accounting-policy-manual>, and *State Reporting Entity and GAAP funds* at <http://sao.georgia.gov/reporting-structure-and-chart-accounts>.

For reporting purposes under the GAAP basis of accounting, encumbrances are not considered expenditures or liabilities until the goods or services are received, and therefore should not be reported in the SEFA application. In addition, if organizations make post-closing adjustments (PCAs) and/or audit adjustments that affect federal fund sources, these adjustments must be included in the amounts reported in the SEFA application. Organizations should be careful to report information in the accurate time period and communicate with the grantor, especially if the organization received the award indirectly from a pass-through entity.

Forms and Attachments:

More specific auditee instructions and other guidance to assist organizations with reporting SEFA data may be found on the SAO website at <http://sao.georgia.gov/schedule-expenditures-federal-awards-resources>. For additional assistance with SEFA related questions, please contact SAO at compliance@sao.ga.gov.

Authority:

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- OCGA 50-5B-3, Duties of State Accounting Officer
- OCGA 50-5B-4, Duties of State Agencies with Respect to SAO
- SAO Accounting Policy Manual, Basis of Accounting: *Overview*

Applicability:

This policy applies to all state organizations that receive federal awards **directly** from federal awarding agencies or **indirectly** from pass-through entities. For tracking purposes, organizations that do not receive federal awards should select the option "***I have no programs to submit***" in Step 1 of the SEFA application.

Definitions:

Catalog of Federal Domestic Assistant (CFDA) – A five digit number assigned by the federal government to identify each federal assistance program. The first two numbers of the CFDA number identify the federal agency and the last three digits identify the specific agency program.

Federal Award – Federal financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities.

³ SAO has developed a new form to partially assist with this reconciliation.