



Statewide Business Process Policy & Procedure

Business Process Reference:

Section: Federal Reporting
Title: Schedule of Expenditures of Federal Awards (SEFA)

Effective Date: 06/30/2016**Revision Date:** 04/02/2018**Index:**[Background](#)[Business Policy Summary](#)[Business Process Policy and Requirements](#)[Monitoring](#)[Authority](#)[Applicability](#)[Definitions](#)[Forms and Attachments](#)**Background:**

In accordance with the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (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. Currently the SEFA 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>.

Business Policy Summary:

This policy is intended to provide general accounting and reporting guidance to organizations that submit data to SAO for use in the preparation of the SEFA. The organization’s management has a responsibility to report SEFA information accurately, in the proper time period, and to communicate with other organizations.

Business Process Policy and Requirements:

Organizations that receive and expend federal awards must submit certain information which is used to create the SEFA. Additionally, for tracking purposes, organizations that do not receive federal awards select the option “*I have no programs to submit*” in the SEFA application.

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 purposes¹. 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 SAO Accounting Policy – *Basis of Accounting and Reporting: Overview* for additional information on fund types (<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.

Additional Required Information

There is also key information required to be in the SEFA, such as, the program name, amount, the Catalog of Federal Domestic Assistant (CFDA) Numbers, pass-through information and other items.

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. At times there is not a CFDA number assigned to a program, in those instances, 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.

Monitoring:

The organization’s management monitors their SEFA accounting and reporting process, which helps to ensure their internal control system is operating effectively. Specifically, management monitors that SEFA amounts are reported in a GAAP basis of accounting and reconcile to the accounting records, as well as all other additional required information is reported accurately and in the proper time period.

Moreover, when federal awards are received from another organization within the state reporting entity, there must be communication between the organizations. Specifically, reconciliations should be performed between the two organizations, ensuring amounts, CFDA numbers, etc. are reported consistently by both organizations. Also, if adjustments are made after submission of the SEFA data, the organization making the adjustment is responsible for informing the impacted organization and SAO. All adjustments must then be reconciled, balanced, and reported by the impacted state organization. Upon completion of these steps, it is expected that amounts, CFDA numbers, etc. reported by both organizations will be the same.

Authority:

- Official Code of Georgia Annotated (O.C.G.A.) 50-5B-3 – Duties of the state accounting officer include:
 - Prescribing the manner in which disbursements shall be made by state government organizations;
 - Developing processes and systems to improve accountability and enhance efficiency for disbursement of funds and management of accounts payable.
- O.C.G.A. 50-5B-4 – Duties of the state agencies with respect to SAO.
- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

¹ SAO has developed a form (Reconciliation of Schedule of Expenditures of Federal Awards (SEFA) to Federal Revenues) to assist with this reconciliation.

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

Applicability:

This business process applies to all Organizations included in the State of Georgia reporting entity that receive federal awards **directly** from federal awarding agencies or **indirectly** from pass-through entities. The term 'organization of state government' shall mean, without limitation, any agency, authority, department, institution, board, bureau, commission, committee, office, or instrumentality of the State of Georgia. Such term shall not include any entity of local government, including, but not limited to, a county, municipality, consolidated government, board of education, or local authority, or an instrumentality of any such entity. At these reporting organizations, all personnel with accounting and financial reporting responsibilities should be knowledgeable of this policy.

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.

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 <https://sao.georgia.gov/federal-compliance-reporting#sar-sefa>. For additional assistance with SEFA related questions, please contact SAO at compliance@sao.ga.gov.