

Schedule of Expenditure for Federal Awards (SEFA) Guidance for HAVA Formula Grants

Overview

This Standard Operating Procedure (SOP) provides a general framework and instructions for preparing and submitting a Schedule of Expenditures for Federal Awards (SEFA) for federal awards¹. The EAC recommends that HAVA award recipients that are subject to the single audit, develop procedures to ensure an accurate and complete SEFA.

Purpose

The SEFA is a report that details the total expenditures of federal awards for a single fiscal year. Non-federal entities that receive federal awards and are subject to the Single Audit Act are required to prepare a SEFA following the Uniform Guidance and other applicable regulations. Timely and accurate preparation and submission of the SEFA are essential to complying with audit requirements.

Governing Regulations

The Single Audit Act establishes requirements for audits of all federal award recipients that expend over a given threshold amount during a fiscal year. The SEFA summarizes federal award expenditures to help plan and conduct the single audit. Preparation of a SEFA is governed by the Uniform Guidance, specifically sections [2 CFR Part 200.302\(b\)](#) and [2 CFR 200.510\(b\)](#). These sections outline the administrative requirements, cost principles, and audit requirements for federal awards, including preparation of financial statements. Specific grant agreements and program regulations may include additional requirements for preparing a SEFA. Please consult the specific terms and conditions of your grant awards to ensure compliance.

Who must complete the SEFA?

- ✓ *Grantees who expend more than \$1,000,000 in federal dollars during a single fiscal year*
 - ✓ *Grantees who are required to complete the Single Audit*
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¹ Some states require a schedule of state awards similar to the SEFA. The best practices described in this SOP, where applicable, may be helpful in preparing a schedule of expenditures of state awards.

SEFA Requirements

A SEFA must be included in a single audit report when a grantee expends \$1,000,000 or more from federal awards in the organization's fiscal year, as outlined in [2 CFR 200.501\(a\)](#). The SEFA reports amounts expended, not the amount received. Even if a grantee receives more than \$1,000,000 in federal grant dollars, a SEFA is not required unless they spend \$1,000,000². Grantees who meet the expenditure threshold and are subject to the Single Audit, must prepare financial statements which include the SEFA as supplementary information. It is important that the SEFA is prepared carefully to ensure accuracy and completeness. Any program or award that is not included in the SEFA will be considered unaudited.

Examples to help decide when to complete a SEFA

Example 1:

The Secretary of State of State Office received \$2 million dollars in federal funds from three different federal programs this fiscal year. They spend \$650,000 in the same year. The Secretary of State's office **does not** meet the single audit threshold and is not required to provide a SEFA.

Example 2:

Organization B receives grants from several federal programs passed through their state's Health and Human Services, Department of Education, and Office of Justice departments. During the fiscal year Organization B will spend \$800,000 in federal funds from their Department of Health grant and another \$300,000 from their Department of Justice award. Organization B **does** meet the single audit threshold and will be required to provide the SEFA. In addition to the two expended grants, Organization B must provide all the details of their Department of Education grant on the SEFA, even if they spent \$0 during the fiscal year.

Responsibilities

Typically, a recipient's finance department is responsible for compiling the SEFA. The executive director and program coordinators overseeing grants may also be responsible for providing accurate expenditure data for federal awards. Based upon internal department structure these roles may vary, however, there should always be separation of duties in creating, populating, and providing final review of a SEFA report.

Training in SEFA preparation and submission should be provided to relevant staff members to ensure compliance with regulations. The SEFA is routinely referenced not only by auditors, but also external stakeholders who use financial statements and Single Audits for their review and monitoring of your organization. Regular review and compliance checks should be conducted to identify and address any issues with SEFA preparation.

² The single audit requirement threshold was increased from \$750,000 in annual federal expenditures to \$1,000,000 for all federal award recipients on October 1, 2024.

Preparation of SEFA

The SEFA should be developed using the same accounting principles (i.e. cash or accrual basis) as the grantee's financial statements. A monthly reconciliation of expenditures in the general ledger should be performed to ensure accurate and timely compilation of a SEFA for the fiscal year-end. Grant-specific coding and reviewing funds included in the previous year's SEFA will help to identify qualified expenses. When expenses recorded in a SEFA are not the same as the expenditures in the general ledger, a reconciliation should be included in the notes of the SEFA (e.g. differences resulting from outstanding loan balances, timing of grant awards, expenditures spent in a previous period, etc.).

Section [2 CFR Part 200.302\(b\)](#) outlines the financial management system requirements for non-Federal entities, including the states and U.S. territories. Financial systems for recipients and subrecipients must meet the following essential requirements:

1. Identify all Federal awards received and expended, including details such as Assistance Listings title and number, Federal award identification number, and the name of the Federal agency and pass-through entity, if applicable.
2. Accurate and complete disclosure of the financial results for each Federal award or program meeting reporting requirements.
3. Records tracking the source and use of funds for federally funded activities.
4. Effective control and accountability for all funds, property, and assets, ensuring they are used for authorized purposes.
5. Comparison of expenditures with budget amounts for each Federal award.
6. Written procedures to implement financial management requirements.
7. Written procedures for determining the allowability of costs according to regulations and Federal award terms and conditions.

Most of the information needed for a SEFA can be found in a general ledger, but expenditure data may also be gathered from financial reports, records, notice of award agreements (NOAs), and grant reports. The Uniform Guidance requires that financial reporting systems provide grant expenditure data categorized under a single Assistance Listing Number (previously known as a CFDA).

Specific federal forms such as the [Form SF-SAC](#) and the [Federal Financial Report \(FFR\)](#) can be used to prepare a SEFA. An example of the SEFA format can be found on [page 2 of the SF-SAC](#). The SEFA may also mirror a grantee's financial statements format.

Section [2 CFR Part 200.510\(b\)](#) outlines the details that must be included in a SEFA.

Below is a summary of the required information:

1. Federal awarding agency or pass-through entity name and identifying number
2. ALN/CFDA (Assistance Listing Number/Catalog of Federal Domestic Assistance) number and program title
3. Federal award number and year
4. Total federal award dollars expended for each federal program, based on the organization's fiscal year begin and end date, including the total amount provided to subrecipients
5. Identification of federal programs as major or non-major
6. Whether the grant has R&D designation (Research and Development) or other cluster identification (such as Student Financial Aid)
7. Notes to the SEFA, providing additional information or explanations as necessary

Expenditures should be classified by federal award and expenditure type. The SEFA should accurately reflect the federal awards received and expended to comply with auditing requirements. The [AICPA's Government Audit Quality Center has a SEFA Disclosure Checklist](#) that can assist in following the SEFA disclosure rules. Any discrepancies or missing information should be resolved before the SEFA is finalized.

➤ Sub-Recipient Requirements

If a state uses its grant funds to further pass down to another organization through a sub-recipient relationship, the federal funds are determined to be expended when the disbursement is made to the sub-recipient. Sub-recipients may be required to provide information depending on whether the funds they receive are subject to the Single Audit.

Following [2 CFR 200.331-333](#), grantees must monitor sub-recipient operations to verify compliance with Federal laws, regulations, sub-award terms and conditions, and achievement of performance targets, including reviewing required financial and performance reports.

➤ Submission of SEFA

The finalized SEFA should be submitted to auditors overseeing the Single Audit within the internal defined deadlines. The grantee should ensure the Single Audit is turned in and in compliance with federal requirements for the Federal Audit Clearinghouse (<https://www.fac.gov/>).

A copy of the SEFA and related supporting documentation should be retained for internal records and readily available for audit purposes. Any modifications or adjustments made to the SEFA should be appropriately documented.