CITY OF LAKELAND, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA) AND STATE FINANCIAL ASSISTANCE

The Schedule of Expenditures of Federal Awards (SEFA) is essential to required compliance auditing pursuant to Uniform Guidance – § 200.510. The expenditure total reported in the SEFA is the determinative factor for whether an entity is required to undergo an audit in accordance with CFR Title 2, Volume 1, Chapter II, Part 200, Subpart F, section 200.510(b) Schedule of Expenditures of Federal Awards. The SEFA is required if total expenditures equal or exceed $750,000 in the given fiscal year. It is also the basis for identification of Type A and Type B programs, and ultimately which program(s) are to be tested as major.

The SEFA provides assurance to the agencies that award financial assistance that their programs or grants were included in the audit of the City. It is very important that this schedule be prepared **accurately** and **completely**. Any program or grant omitted from this schedule will be considered unaudited and any inaccurate information will result in an audit comment. The schedule is prepared on the same basis of accounting as the financial statements in accordance with generally accepted accounting principles.

The SEFA includes **all** expenditures of federal and state awards for the year and it is **not** based on the dates the funds are received (i.e., advances or cost reimbursements). Awards expended include the following:

- Expenditures associated with grants, cost-reimbursement contracts, cooperative agreements, and direct appropriations.
- Disbursements of funds passed through to sub-recipients.
- Receipt of loan proceeds under loan and guarantee programs.
- Receipt of federal property and surplus property.
- Receipt of use of program income.

Include federal awards received directly from a federal or state agency and indirectly from a state agency or local governments.

Federal and State awards should be listed on separate schedules. List all financial assistance from the same federal or state agency together on the schedule. Next, within each federal or state section, list all direct awards first followed by indirect awards.

Provide subtotals for programs with the same Catalog of Federal Domestic Assistance (CFDA / Assistance Listing) or Catalog of State Financial Assistance (CSFA) number. Also provide subtotals for received directly and assistance received indirectly. Provide a total for each Federal or State agency.

Please note, expenses reported on the SEFA will not necessarily tie to those reported on the operating statement, especially if the awards include loans. However, amounts should reconcile to records maintained by the Finance Department. Indirect costs, if applicable should be included in the expenditure amounts.

The American Recovery and Reinvestment Act of 2009 (ARRA)

In accordance with Public Law 111-5 (Recovery Act), it is the responsibility of all recipients to maximize transparency and accountability of funds authorized under the ARRA. Recipients must maintain records that sufficiently identity the source and application of ARRA funds. For recipients covered by the Single Audit Act Requirements of 1996 and OMB Circular A-133, it is required to separately identify ARRA funds on the SEFA.

Some Recovery Act programs share CFDA / Assistance Listing numbers with existing programs. In instances where there is not a unique CFDA / Assistance Listing number for ARRA funds, recipients will need to report those expenditures separately from expenditures under the existing program.

FEMA Disaster Assistance – CFDA/Assistance Listing 97.036

Disaster assistance awards are made based upon a Project Worksheet (PW) and are classified by FEMA as either a "small" or "large" project according to the cost of the eligible work for the project. The thresholds for project costs can be found in the Compliance Supplement Part 4. Some grantees might experience a long delay from the time they incur costs to recover from a disaster and the date they actually are approved to receive federal disaster relief funding. In the Compliance Supplement to the Uniform Guidance (2 CFR Part 200 Appendix XI), FEMA has stated that for purposes of recording expenditures of federal Disaster Grants (CFDA / Assistance Listing 97.036 – IV. Other Information) on the Schedule of Expenditures of Federal Awards (SEFA):   Non-Federal entities must record expenditures on the SEFA when: (1) FEMA has approved the non-Federal entity's Project Worksheet (PW), and (2) the non-Federal entity has incurred the eligible expenditures. Federal awards expended in years subsequent to the fiscal year in which the PW is approved are to be recorded on the non-Federal entity's SEFA in those subsequent years.

The American Rescue Plan Act/COVID-19

On March 11, 2021, the American Rescue Plan Act was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, which together make up the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program. This program is intended to provide support to State, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

COVID-19 Expenditures To maximize the transparency and accountability of COVID-19 expenditures, governments must separately identify COVID-19 expenditures on the SEFA. This includes the new COVID-19 only programs. This may be accomplished by identifying COVID-19 expenditures on a separate line by CFDA / Assistance Listing number with "COVID-19" as a prefix to the program name.

Donated Personal Protective Equipment (PPE)

Donated Personal Protective Equipment (PPE) Per Part 8, Appendix VII of the 2021 Compliance Supplement: During the emergency period of COVID-19 pandemic and as allowed under OMB Memorandum M-20-20 (April 9, 2020), federal agencies and recipients can donate PPE purchased with federal assistance funds to various entities for the COVID-19 response. The donated PPE were mostly provided without any compliance or reporting requirements or Assistance Listing information from the donors. As such, the non-federal entities that received donated PPE should provide the fair market value of the PPE at the time of receipt as a stand-alone footnote accompanying their SEFA. The amount of donated PPE should not be counted for purposes of determining the threshold for a single audit or determining the type A/B threshold for major programs and is not required to be audited as a major program. Because donated PPE has no bearing on the single audit, the donated PPE footnote may be marked "unaudited."

As a reminder, the above only relates to donated PPE provided without any compliance or reporting requirements or assistance listing from donors. There could be some PPE that must appear on the SEFA as a federal program (e.g., when the recipient uses funds provided under a COVID-19 Assistance Listing Number (CFDA / Assistance Listing) to purchase PPE)

Valuation of Loans and Noncash Assistance

Use the following guidelines to calculate the value of "federal or state awards expended" under loan programs:

1. Amount of new loans received during the fiscal year; plus
2. Balance of loans from previous years for which the federal or state government imposes continuing compliance requirements; plus
3. Any interest subsidy, cash, or administrative cost allowance received.

Please note. Loans, the proceeds of which were received and expended in prior years, are not considered federal or state awards expended when the laws, regulations, and the provisions of the contract or grant agreements pertaining to such loans impose no continuing compliance requirements other than to repay the loans.

Noncash assistance: Donated property, donated surplus property, food stamps, and food commodities should be valued at fair market value at the time of receipt of the assessed value provided by the federal or state agency. The Notes to the Schedule should disclose the nature of the amounts reported.

Other Items to Consider

Often, federal financial assistance received indirectly is a mix of federal and state or local money. List only the federal and/or state share on the SEFA. If the state or local portion cannot be identified, list the entire amount on the SEFA, and describe the commingled nature of the funds in the Notes to the Schedule.

Records must agree or reconcile to those in the Finance Department.

Notes to the Schedule of Expenditures of Federal and State Awards

The notes should disclose the basis of accounting, definitions of abbreviations; program costs/matching contributions, and any other information that might be needed by the reader.

PROCEDURES FOR PREPARING THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA) AND STATE FINANCIAL ASSISTANCE

Grant accountants assigned to various grants prepare grant schedules by tying out expenses, revenues, amounts due from grant agencies to Oracle. The accountants also verify the amount of grant related expenses for the year based on actual or expected billings and receipts. Each accountant then completes a summary grant schedule. The summary grant schedule contains all of the relevant information about each grant (i.e., current and cumulative expenses and revenues, grant title, grant agency, effective grant dates, CFDA / Assistance Listing or cfsa numbers, etc).

The SEFA worksheet and checklist are used to provide financial information for the preparation of the SEFA. This is not a replacement for the grant schedule. Each grant accountant will then prepare the SEFA check list and worksheet for their prospective grants. Once completed the checklist and worksheet should be given to the Accountant assigned to prepare the SEFA. The Account assigned to prepare the SEFA for the audit will use these worksheets.

The SEFA checklist is used to ensure accurate date and compliance in completing the SEFA. The description of the information to be provided in each column of the SEFA worksheet is as follows.

Column 1   Finance Personnel – Select the name of the Accountant responsible for reconciling, applying for reimbursements, and monitoring the grant.

Column 2   City Department – Select the name of the City Department responsible for administering or managing the grant.

Column 3   Program Level – Select the appropriate program level for each grant (i.e., federal or state). **Awards from local agencies are not included on the SEFA.**

Column 4   Oracle Fund – Select the Oracle Fund in which the expenditures are being tracked.

Column 5   Oracle Project Number – Select the Oracle Project in the grant expenditures are being tracked.

Column 6   American Recovery and Reinvestment Act of 2009 (ARRA) - **This is a required column and must be completed for each entry**. Select whether or not the funding source is ARRA funds.

Column 7   Agency Name – Select the name of the Federal or State granting agency that administers the program Please note, this may not necessarily be the agency awarding the program.

Column 8   Source of Funding – Select whether or not the City will receive reimbursement directly from the agency administering the grant. If the agency administering the grant is not the same agency awarding the grant to the City, select indirect program (i.e., pass through award).

Column 9   Pass-Through Agency – Select the appropriate pass-through agency if the program is an indirect program (column 8 selection). This is the agency awarding the grant to the City.

Column 10   Program Title – Select the name of the federal or state program listed in the Catalog of Federal Domestic Assistance (CFDA / Assistance Listing) or Catalog of State Financial Assistance (CSFA).

Column 11   Oracle Project Title – The Oracle project title will be populated based on the Oracle Project number selected in Column 5.

Column 12   CFDA / Assistance Listing # - The CFDA / Assistance Listing Number will be populated based on the Program Title selected in Column 10 and the Program Level Selected in Column 3. Please note, the first two digits of the CFDA / Assistance Listing number should match the awarding agency in Column 7.

Column 13   CFSA# - The CFSA Number will be populated based on the Program Title selected in Column 10 and the Program Level Selected in Column 3. Please note, the first two digits of the CFSA number should match the awarding agency in Column 7.

Column 14   Grant Contract / ID Number – Enter the grant contract or ID number that identifies the grant on the grant agreement.

Column 15   Current Year Expenditures – Total expenditures for the fiscal year to be reimbursed by the grant awarding agency (except expenditures related to loan programs). The expenditures are not based on when the reimbursements are received, but in accordance with generally accepted accounting principals. Entire program costs, including the City's local matching share, may be more than shown. The amounts shown as current expenditures represent only the federal or state portion of the program costs. Amounts passed through to sub-recipients should be included in the current year expenditures. Federal, State, or Local expenditures of the same Oracle Grant Project should be reported on separate lines on this schedule.

Column 16   Adjustments to Prior Year Expenditures – Enter adjustments made to prior year expenditures previously reported. (i.e., disallowance or allowance of expenditures previously reported in the SEFA)

Column 17   Total Expenditures – The total will be calculated based on what is entered in Columns 15 &16. This should also reconcile to the amounts reported as revenues in the general ledger.

Column 18   Transferred to Sub-recipients – Select whether or not the City transfers any grant funds to sub-recipients.

Column 19   Amounts transferred to sub-recipients – Enter the total amount transferred to sub-recipients.

Column 20   Current Year Loan Distributions – Enter loan distributions for current year.

Column 21   Outstanding Loan Balance – Enter the outstanding loan balance.

Column 22   Noncash Benefits – Enter the value of any noncash benefits.

Column 23   Footnote Reference – If applicable, enter the reference number that corresponds with the Notes to the Schedule.