

# SEFA 101

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For organizations requiring a Single Audit, preparing the Schedule of Expenditures of Federal Awards (SEFA) is the first and most crucial step in the process. Without an accurate SEFA, your audit firm will not be able to identify the appropriate major programs and conduct a proper Single Audit. Reminder – a Single Audit is required for any organization that spends \$750,000 or more in federal awards during the fiscal year. With the influx of grants from the COVID-19 relief bills and the Infrastructure Investment and Jobs Act, tracking the information for the SEFA has only gotten more difficult. Here are few steps that will help your organization stay on top of the information needed to prepare the SEFA:

1. Gather the information: The accounting/finance department is typically responsible for preparing the SEFA. To do this, you will need copies of all grants the organization receives. Depending on the size of the organization, you will want to train the other departments to automatically provide accounting/finance with a copy of the grant agreement.
2. Review the information: Once you have the grant agreements, review them. Review the grant agreement to identify the following information: Assistance listing (AL) number (formerly the Catalog of Federal Domestic Assistance) and pass-through organization and related award number (if there is one). If the grant agreement contains multiple funding sources both federal and non-federal, you will need to reach out to the grantor requesting a breakdown of the funding. If the assistance listing number is not noted in the grant agreement, confirm in writing with the grantor what the assistance listing number is and keep this documentation with the grant agreement.
3. Accounting records: The accounting system should be setup to track expenditures by grant using some sort of identifier. Using this unique identifier, you will know the expenditure amount by grant. If your accounting system is not able to do this, then you will have to compile the information using reimbursement requests (reconcile this

information back to the accounting records to account for any adjustments made after submission).

4. Compile the SEFA: Take the information identified in Step 2 and 3 and put it all together. The SEFA should include the following information: Federal Awarding Agency, Program Title, Assistance Listing, Pass-Through Entity, Pass-Through Entity Award Number and Federal Expenditure Amount.

Preparation of the SEFA is the responsibility of the organization. [Uniform Guidance 2 CFR 200.510 \(b\)](#) contains all the requirements for preparing the SEFA. Following the steps above will help put the organization on the right track for a successful audit.

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