



# STATE CONTROLLER'S BULLETIN

Edward Karass  
State Controller

Rebecca M. Wyke, Commissioner  
Administrative & Financial Services

Bulletin #FY04-05

**SUBJECT: Schedule of Expenditures of Federal Awards for FY 2003**

**DATE:** August 5, 2003  
**TO:** All Department and Agency Financial Officers with Federal Programs  
**FROM:** Edward Karass, State Controller

According to federal mandates, specifically Circular A-133, we must have the final audited federal financial report completed by March 31, 2004. Additionally, Title 5 MRSA §1547 states that all financial information necessary for the State's financial report must be submitted to the Bureau of Accounts and Control no later than September 1<sup>st</sup> following the close of the fiscal year. Also, Title 5 requires that we must submit all financial reports and accompanying papers to the Department of Audit by November 1<sup>st</sup>.

The *Schedule of Expenditures of Federal Awards (SEFA)* reports the total expenditures for each federal program. All agencies receiving federal assistance must fill out a disclosure and the related spreadsheets and submit the completed disclosure and schedules to the State Controller's Office as we are responsible for compiling this information on behalf of state government. The Department of Audit uses the SEFA to plan which federal programs will be audited. The SEFA must be included in the Single Audit Report for submission to the federal government by March 31, 2004.

Agencies are responsible for preparing, submitting, and retaining copies of auditable supporting documentation for all of the SEFA information submitted. Any changes or corrections to information originally submitted must also be sent to the Bureau. In addition, we are requiring that agencies identify primary contacts for follow-up questions from the Bureau of Accounts and Control and the Department of Audit. Please forward the name and telephone number of the contact to Doug Cotnoir at 626-8420 as soon as possible, but no later than September 1<sup>st</sup>.

Your agency liaison will be available to help you interpret the SEFA package instructions and to assist you in reconciling your SEFA submission in order to meet the September 1<sup>st</sup> deadline. Should you have technical questions or require assistance regarding the information to be included related to the SEFA, please contact us at your earliest convenience.

The SEFA must report:

- All federal awards expended.
- The federal programs under which they were received, including:
- The CFDA title and number
- The name of the federal agency
- The pass-through entity

Federal financial assistance, now referred to as “awards,” includes not only monies received from the federal government, but also non-cash assistance. Federal awards may include but are not limited to:

surplus property	loans and loan guarantees
agricultural commodities	cooperative agreements
food stamps	interest subsidies
grants	insurance or direct appropriations
contracts	vaccines

Inventories of **property assistance** at year end are reported in the Notes to the SEFA. Property assistance is reported when the property is received. **Surplus property** is reportable at the time of distribution. **Food commodities** are reported when consumed. **Insurance** is reported for the period in which it is in force. Under **loan and loan guarantee programs**, an award is considered expended when the loan proceeds are used. [See OMB Circular A-133, “Basis for Determining Federal Awards Expended”] Non-cash federal awards must be reported in Exhibit 2 in the expenditure column, indicated by an “N” in the expenditure type column. These should be reported separately for each CFDA number.

For a department or agency that did not have any federal expenditures during State FY03, only Exhibit 1 - Department Identification Page must be completed and submitted to the Controller’s Office by September 1, 2003.

To report expenditures of federal awards for FY03 (July 1, 2002 through June 30, 2003), prepare the following exhibits and return to the Financial Reporting Division in the Controller’s Office by September 1, 2003.

- Exhibit 1 – Department Identification
- Exhibit 2 – Schedule of Expenditures of Federal Awards
- Exhibit 3 – Schedule of Expenditures of Federal Awards – footnote worksheet
- Exhibit 4 – Letter of Representation to the Controller’s Office
- Exhibit 5 – Status of Prior Audit Findings and Corrective Action Plan