



STATE CONTROLLER'S BULLETIN

Edward Karass
State Controller

Ryan Low, Commissioner
Administrative & Financial Services

Bulletin #FY10-01

SUBJECT: Schedule of Expenditures of Federal Awards for FY 2009

DATE: July 23, 2009
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, 2010. Additionally, Title 5 MRSA §1547 states that all financial information necessary for the State's financial report must be submitted to the Office of the State Controller no later than September 1st 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 1st.

The *Schedule of Expenditures of Federal Awards (SEFA)* reports the total expenditures for each federal program. All agencies receiving federal assistance must fill out the exhibit and related spreadsheets and submit the completed exhibit and schedules to the Office of the State Controller (OSC) 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, 2010.

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 OSC. In addition, we are requiring that agencies identify primary contacts for follow-up questions from the Office of the State Controller and the Department of Audit. Please forward the name and telephone number of the contact to April Newman at 626-8436 as soon as possible, but no later than September 1st.

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 1st 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.

ARRA fund expenditures require separate federal reporting. A separate spreadsheet is used for funds 020 and 021 in order to capture this information.

The SEFA must report:

- All federal awards expended during the current state fiscal year.
- The federal programs under which they were received, including:
 - The CFDA title and number
 - The name of the federal agency
 - The pass-through entity and contract or grant number

Federal financial assistance 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 FY09, only Exhibit 1 - Department Identification Page must be completed and submitted to the Controller's Office by September 1, 2009.

To report expenditures of federal awards for FY09 (July 1, 2008 through June 30, 2009), prepare the following exhibits and return to the Financial Reporting Division in the Controller's Office by September 1, 2009.

- Exhibit 1 – Department Identification
- Exhibit 2 – Schedule of Expenditures of Federal Awards – Revised May 27, 2009
- Exhibit 2ARRA – Schedule of Expenditures of Federal and Subrecipient Awards – *New for FY09*
- Exhibit 2D – Detailed Schedule of Expenditures by Program
- Exhibit 3 – Schedule of Expenditures of Federal Awards – footnote worksheet
- Exhibit 4 – Letter of Representation to the Controller's Office
- Exhibit 5 – Status of Terminated Funding and Questioned Costs