Year End Training – Pass Through Confirmations and Preparing the SEFA - Federal Schedule

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Pass-Through Activity

- **Federal Pass Through** - Federal grant pass-through refers specifically to federal funds passed through from the disbursing agency to the recipient agency. *Does not* apply to federal funds passed through from a non-state entity (NSE) to a recipient agency or federal funds passed through from a disbursing agency to an NSE.
  - Report activity on the SEFA, [https://fmcpa.cpa.state.tx.us/fedsched/](https://fmcpa.cpa.state.tx.us/fedsched/)

- **State Pass Through** - State grant pass-throughs between agencies occur when agencies have an appropriation with the authority to grant that money to another agency and retain administrative responsibilities for that money.
  - Report activity on the SPTR, [https://fmcpa.cpa.state.tx.us/ptrecon/](https://fmcpa.cpa.state.tx.us/ptrecon/)
Where to Report Pass Through Activity

- **Requires access to USAS for applications**

  - [https://fmcpa.cpa.state.tx.us/fedsched/](https://fmcpa.cpa.state.tx.us/fedsched/)
  - Federal funds may be received from many State of Texas agencies or universities.

- **State Pass Through** - Report activity on the State Pass Through Reporting website, SPTR
  - [https://fmcpa.cpa.state.tx.us/ptrecon/](https://fmcpa.cpa.state.tx.us/ptrecon/)
  - State agencies with State Pass Through include: THECB, Governor’s Office, CPRIT, Texas Workforce Commission, Texas State Board of Public Accountancy, THHSC, Agriculture, Department of State Health Services, Department of Motor Vehicles and may include some universities of TAMUS members.
Process to Prepare Interagency and University Confirmations – Federal and State (A)

• In September (after the August close has been run), prepare Agency Confirmations with State of Texas agencies and State of Texas Universities—Confirm both “Pass Through From” and “Pass Through To”.

• Identify all pass-through accounts with State of Texas Agencies and Universities. Reports can be run from Business Objects to pull all revenues and expenditures. Fiscal year revenues/expenses and any amounts due to/from at end of fiscal year must be confirmed with State of Texas sponsors.

• Federal revenues and expenditures should balance be reconciled in Note 2 to the Schedule of Expenditures of Federal Awards. The SEFA must reconcile with Exhibit IV-FUND – Statement of Revenues, Expenses, and Changes in Net Assets by Fund Group for federal and federal pass through revenues.

• For State Pass Throughs, must match revenues received (object codes 0257, 0264).
Process to Prepare Interagency and University Confirmations – Federal Pass Throughs – Continued (B)

• Begin the confirmation process of contacting other State of Texas agencies and universities as soon as the first close of August business is run by FAMIS.

• **DO NOT** initiate confirmations with State Agencies and Universities until the Accounts Payable routine (YER217) is run due to expenses accrued on accounts which need to be considered as part of total expenditures for the fiscal year.

• Amounts confirmed should include any additional indirect cost that may be associated with the expenses accrued on accounts when the Accounts Payable YER217 job runs. You may need to manually calculate IDC to include in the confirmations if there are any additional accrued expenses posted in Month 13. The Month 13 indirect cost job (RR200) will run on night of FAMIS Pre-Close (September 13, 2023). See FAMIS Screen 034, 074 for Calc CM IDC.
Process to Prepare Interagency and University Confirmations – Federal Pass Throughs – Continued (C)

- It is helpful to send preliminary confirmations and get communications started with other agencies since the State Comptroller’s initial deadline for pass through amounts to be entered in the Web Applications.

- Deadlines:
  - September 1 – Initial certification. Amounts should be entered, but are not final. Provides notice that there are amounts that need to be agreed upon between agencies.
  - September 19 – September 25 – Interagency Pass Through Reconciliation Period
  - All pass-through entries and accruals must be completed in USAS by September 28 for final certification.
Process to Prepare Interagency and University Confirmations – Federal Pass Throughs – Continued (D)

- Confirm both revenues and expenditures and any Due To/From amounts with the sponsor.

- Not all State of Texas Agencies consider grants & contract funds as federal pass-through even when paying you with federal funds. These agencies may take the position that your agency is a “vendor” not a “sub-recipient.”

- If the other State agency considers your agency a “vendor,” then do not record the revenues received as “pass-through” object codes. Use 0254 or 0298.

- If an agreement was previously coded in FAMIS with federal or state pass through object codes (revenue, indirect cost expense, indirect cost revenue), corrections will need to be made in FAMIS to revise FAMIS object codes in the current FY.

- The agency paying us gets to determine if the amounts/agreement is classified as Pass Through or Vendor. However, the State agency receiving the funds can determine the accrual amount at year end.
Process to Prepare Interagency and University Confirmations – Federal Pass Throughs – Continued (E)

- If a State of Texas agency/university doesn’t agree with our figures, contact the agency and try to resolve any difference.
- If the difference is immaterial to our books, then we (TAMU) will report the amount that the other State of Texas agency shows on our books and make adjustment(s) to AFR accounts.
- The spending agency (TAMU) should be the agency to determine the revenue/expenditures amount to report each year. However, some state agencies are not always willing to accept our figure without a great deal of time expended by us providing the agency more documentation.
- If a State agency reports a different figure than our agency’s number, this difference will be questioned later on when the State Comptroller’s Office (SCO) reviews the AFR. It will also be necessary to provide documentation to the SCO that shows the amount you want to report.
- Immaterial differences can be adjusted in FAMIS in order to match the other agency’s amount by using AFR account(s) to record adjustments needed to match the other agency’s books.
Process to Prepare Interagency and University Confirmations – Federal Pass Throughs – Continued (F)

Pass Through To Others – State of Texas and Other:

- These are sub-awards or sub-contracts where our agency has passed funds to another State of Texas university. For example, the TAMU – Sea Grant Program has several subcontracts with other State of Texas universities. Object codes used:
  - 6437 and 6438 – Subawards – Federal – Other Non State of Texas Entities
  - 6439 and 6440 – Subawards – Federal – TAMUS Member
  - 6441 and 6442 – Subawards – Federal – Other State of Texas Agency/Univ

- We contact the Pass-Through recipients of federal funds and ask them to confirm what figure they will report so we can report the same amount on our SEFA - Schedule of Expenditures of Federal Awards.

- Amounts confirmed with State of Texas /Agencies or Universities should be reflected in USAS, including recording Due To or Due From amounts.

Note: We don’t record in USAS pass throughs between TAMUS Members (except TDEM does record their activity in USAS).
Process to Prepare Interagency and University Confirmations – Federal Pass Throughs – Continued (G)

Federal Pass Through with Non-State of Texas Entities (non-profits) or Out-of-State Entities:

- Amounts reported on the SEFA for Non-State of Texas Entities are based on expenditures recorded for the fiscal year.
- Projects and accounts for Non-State of Texas Entities are supported by grant or contract agreements.
- Many Non-State of Texas Entities require that cost reimbursable billings be submitted on a regular basis (monthly, quarterly), so they review costs when billings are submitted.

NOTE: Junior and community colleges located in Texas are not designated as State of Texas agencies.
Why do we prepare SEFA?

• Required by State Comptroller (refer to https://fmx.cpa.texas.gov/fmx/pubs/afrrptreq/sefa/index.php)

• Must be created by each System Member (TAMUS)

• Includes all amounts that are “Federal expenditures”

• State Auditors issue an opinion as to:
  • The SEFA is materially correct in relation to the basic financial statements.
  • The SEFA is derived from information audited in the basic financial statements.
Context of the SEFA

• SEFA is defined in Uniform Guidance CFR 200.510.

• Auditee responsibilities for SEFA are described in UG CFR 200.508.

• Auditor’s responsibility for reporting on the SEFA is described in UG CFR 200.515.
  • Opinion (or disclaimer of opinion) as to whether the SEFA is presented fairly in all material respects in relation to the financial statements taken as whole.

• Considered supplementary information (SI) under AU-C 725 (Auditing Standards by AICPA; C = To denote the application under the new clarity standards.)
Tools for SEFA Reporting?

SEFA should meet minimum requirements of Uniform Guidance and any other grantor requirements

- Grant Title
- Award/contract number
- Federal sponsor
- Award period
- Program or Cluster Title
- Assistance Listing Number # (ALN) – Formerly CFDA (Catalog of Federal Domestic Assistance) - [https://sam.gov/content/assistance-listings](https://sam.gov/content/assistance-listings)
- Pass-through sponsor, if applicable
- Pass-Through entity number, other State of Texas agencies and universities
- Federal expenditures
- Amounts provided to subrecipients
Source Information for the SEFA

• Primary source is from FAMIS (Financial Accounting Management Information System)

• FAMIS attributes assigned to identify the accounts as federal and federal flow through include:
  • Account ranges - General Ledger and Sub Ledger account ranges for sponsored projects – Ledger 4 (for TAMU, TAMHSC, TAMUG). A System Member may use other account ranges depending on their chart of accounts, such as both ledgers 4 and 5.
  • Assign federal ALN/CFDA number to project in Maestro or on Screen 009/059 in FAMIS
  • Assign sponsor name and State Agency number (Maestro Project or Screen 009/059 in FAMIS
  • Assign federal flow through sponsor name (Maestro)
  • Assign unique revenue and indirect cost object codes for federal and federal flow through (Screen 009, 051).
  • Assign function of grant/contract account
Source Information for the SEFA

• Functions used in Maestro/FAMIS
  • Instruction – Function 10
  • Research – Function 15
  • Public Service – Function 20
  • Academic Support (Library) – Function 25
  • Student Services – Function 30
  • Institutional Support – Function 35
  • Operation & Maintenance of Plant – Function 40
  • Scholarships & Fellowships – Function 60

NOTE: These classifications align with definitions from NACUBO (National Association of College and University Business Officers)
FAMIS Screen 009

F0013 Please enter desired modifications

009 SL Grant/Contract Attributes

Screen: [ ] Account: 431431 ___ COLLABORATIVE RESEARCH: LIFE AFTER SRS: Y

Sponsored Project: 4314310000 COLLABORATIVE RESEARCH: LIFE AF
Sponsor: 0000634 NATIONAL SCIENCE FOUNDATION Total Awarded
Award Nbr: OCE-2152422 232493.00

90 Day Pre: Y Billing Revenue Object: 0250 Funding
Start Date: 07/01/2022 Indirect Expense Object: 9610
End Date: 06/30/2025 Indirect Revenue Object: 0320

TAMRF Acct/Proj Nbr: __________ System Member: __
CS Acct Link: _______ TE Certify: Y E-Verify: N

----- Indirect Cost ----
Base: ______
Rate: ______
Distribution: ______

CFDA Nbr: 47.050 NSF Category: NSF____ Activity: 1A_
Science/Engineering Field: 2C3 Special Areas of Interest ------
Character of Work: 4A_ __ __ __ __ __ __ __ __
Selection Process: 5A_ __ __ __ __ __ __ __ __
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10---PF11---PF12---
Hmenu Help EHelp Next CProj AResp
FAMIS Screen 051 – Support Account

Account Title: COLLABORATIVE RESEARCH: LIFE AFTER
Resp Person: SYLVAN, JASON B
Bot Ln Cntl: Y
Default Bank: 06000
Alt. Banks: 05500
P-Card Bank: 
Primary: OCNG
Secondary: 
Admin For: 
90 Day Pre: Y
Start Date: 07/01/2022
End Date: 06/30/2025
Long Title: COLLABORATIVE RESEARCH: LIFE AFTER

All fields entered on this screen override fields on the Parent SL ***
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10---PF11---PF12---
Hmenu Help EHelp
Reports used to build SEFA

- **Business Objects Report – Federal Schedule 1A.** Report can be run on demand and has additional attributes not included on the FAMIS report FBAR231 (Federal Grant Expense Summary, Sorted by CFDA Code), such as account function code, sponsor award number, funding type (fixed price, cost reimbursable), column headings required for SEFA web reporting. Report is located in Public Folder: TAMUS Shared – Year End – SEFA.

- **Business Objects Report – SEFA WORKSHEET UPLOAD – SRS.** Report can be run on demand. This report shows data in column format needed to upload to the State Comptroller’s Federal Schedule website. Report is located in Public Folder: TAMUS Shared – Year End – SEFA.
ADDITIONAL INFORMATION NEEDED FOR SEFA –

• Federal Surplus Property, CFDA 39.303 – This amount is generated by the Texas Facilities Commission (TFC), State of Texas Agency 303. This is considered “non-monetary assistance” and reported in Note 1 of the SEFA and included on the SEFA. NOTE: May not be applicable to every System Member.

• FEMA Assistance Amounts, CFDA 97.036 – From Texas Department of Emergency Management. THIS CFDA WILL NOT BE REPORTED UNLESS FUNDS ARE AWARDED FOR FEMA ASSISTANCE AMOUNTS. Usually have these funds when there has been a natural disaster such as fires, hurricane or catastrophic floods. Report in SEFA Note 8

• Loans – Health Profession Loans, Direct Loans, and any other federal loan programs. Report in Note 3a. We no longer award Perkins Loans, but there is still an Outstanding Balance to report.

• U. S. Department of Education programs must be reported with additional alpha character at end of CFDA number, such 84.425F; make sure upload to SEFA web application contains alpha character.
Methodology for Determining Accruals

• FAMIS (Financial Accounting Management Information System) uses “Month 13” as a processing period after 8/31/20XX for recording year end accruals and adjusting entries. This period lasts from the day following the normal August close (September 6, 2023) until around mid-September.

• AFR entries and accruals can be booked in Month 13 period until the AFR is finalized and FAMIS is closed for the FY. AFR batches/entries may also be booked in August business.

• Entries typically cease after the AFR is submitted to System Budgets & Accounting for review and approval, unless further adjustments are required.
Accounts Payable

• Year-end job YER217 for Accrued Accounts Payable is run at end of August monthly processing cycle (by evening of August FY close) to recognize accrual for items received, but not yet paid. These transactions are recognized as expenditures at year end on the grant/contract account as an Accounts Payable. These accrual entries reverse in the next fiscal year in month of September. Note: If there are any expenditures generated by the YER217 job, these amounts should be included in confirmed amounts with other agencies.

Payroll Accrual

• The biweekly payroll - for those paid hourly – must be allocated between the fiscal year just ending and the new FY beginning September 1 when the first bi-weekly payroll in September is pay for days worked in August. The payroll portion for August work is posted in 13th month as accrued expense and the one for September work is posted in September as a true expense. There is a Business Objects query that may be used for this accrual: TAMUS Shared/AFR Reports/Payroll Accrual folder, BW Payroll Last Week of August 20xx.
Revenue Accruals - Accounts Receivable

Each grant and contract account is reviewed to determine if an additional revenue accrual should be recorded at 8/31.

- If grant/contract account expenditures exceed revenues at 8/31, then an AFR accounts receivable entry is made to accrue additional revenue at year end because additional revenue is due because of expenditures that have been incurred.
- Accrue additional accounts receivable as long as the grant/contract budgeted amount is not exceeded.
- Accruals for Accounts Receivable may be recorded at the individual account level or by using an AFR account that is set up to record year end entries. Record accruals by object code:
  - 0250 = Federal Contracts & Grants
  - 0252 = Federal Pass Through Contracts & Grants (State of Texas)
  - 0260 = Federal Pass Thru – Non State of Texas Entities
  - 0262 = Federal Pass Through – TAMUS Members
Deferred Revenues

• If grant/contract account revenues exceed expenditures at 8/31/xx, then an accrual entry is made to record deferred revenues. This is done by decreasing (DR) revenues at the SL account level and crediting (CR) deferred revenues on the general ledger.

• Deferred revenues are determined by reviewing account balances to determine which accounts have recorded revenues which exceed expenditures as of 08/31/xx.

• An AFR entry to reflect deferred revenues as of 08/31/xx is recorded in the appropriate GL account and AFR account.

• Deferred revenues are recorded by grant/contract revenue object code.
Query to Assist with AR and Deferred Revenue Accruals

- Public Folder: TAMUS Shared – Year End – SEFA - 02 & 10 FBMR061 for AFR reporting
- Copy query to your own Business Objects folder in My Documents
- Make changes to Campus Code
- Make changes to Account Range as needed
- You may save report under new name if desired.
- Tabs included for AR Accruals (Accounts Receivable) and Deferred Revenue
- Review report to ensure you don’t record deferred revenues if you have already confirmed FY amount with a State Agency/University (code 0252, 0262, 0257, 0264)
Prepare SEFA – Schedule of Expenditures of Federal Awards

• After pass through confirmations are completed, prepare the Schedule of Expenditures of Federal Awards—Excel file.

• Use Business Object query: Public Folder – TAMUS Shared – Year End – Federal Schedule 1A – TAMU (This version has some additional fields added which are useful, such as Billing Revenue Code, OSRS Flag, COVID Flag, Maestro Project ID, Funding Type – Cost Reimbursable or Fixed Price).

• Copy query to your own Business Objects folder in My Documents

• Make changes to Campus Code or other attributes as needed.

• You may save report under new name if desired.

• This is useful report to be able to verify revenue codes compared to expenditures.
Prepare SEFA – Schedule of Expenditures of Federal Awards

- Format for the Schedule is prescribed by the State Comptroller’s Office in the Reporting Requirements for Annual Financial Reports of State Agencies and Universities at web site: https://fmx.cpa.texas.gov/fmx/pubs/afrrptreq/sefa/index.php
  - Schedule must show dollars and exact cents.
  - Column for Pass-Through From Agencies or Universities Amount MUST agree with revenue codes 0252 and 0262 on FAMIS.
  - Column for Pass Through from Non – State of Texas Entities (NSE) must agree with revenues code 0260. In order to input amounts for Non-State of Texas Entities, the NSE name must be added by State Comptroller’s office to the NSE list.
  - Column for Direct Federal Revenues must be reconciled to SEFA Note 2 for the Schedule of Expenditures of Federal Awards.
  - Determine if any of the amounts listed were for vendor contracts/fixed fee contracts. These types of federal funds should not be reported on the SEFA, but revenues should be eliminated in Note 2.
  - All research (R&D) contracts are reported on the SEFA.
Schedule of Expenditures of Federal Awards – SEFA Web Application

- Obtain access to USAS: [https://fmcpa.cpa.state.tx.us/fedsched/](https://fmcpa.cpa.state.tx.us/fedsched/)

- You may enter federal expenditures for each federal awards or upload comma-delimited batch file in Excel. Use format prescribed by State Comptroller’s Office.

- Recommend using the batch file feed when the agency has a large number of lines of data to submit.

- Special Funds Indicator: Must mark COVID-19 funds with attribute C (also); A = ARRA Stimulus funds; N = No

- Be careful to custom format fields with leading zeroes, such as format “000.00” for ALN/CFDA, or “000” for agency numbers.

- Non State Entity (NSE) names will not be accepted until the batch file name/format **matches exactly** with the NSE list on the SEFA Web App. Example: If you submitted “University Of Alaska” this would be rejected because the NSE format is “University of Alaska”.
Note 2 – Reconciliation

• Must reconcile to Schedule IV Fund/SRECNA
  ▪ SRECNA = Statement of Revenues, Expenses, and Changes in Net Position by Fund Group
  ▪ Excel templates provided for reconciliation purposes
    ▪ 2022_sefa recon_fed revexp_tamu WP_jk.xlsx – Provides reconciliation template for SEFA

• Remove Vendor Service contracts/fixed fee revenues
SEFA – Note 2 Exclusions

1. **Contracts for Vendor Services** – Excluded from the SEFA. These types of agreements are recorded as federal revenues, but these revenues and expenditures must be excluded from the SEFA because they are not considered federal assistance. If a sponsor issues a solicitation for Goods and Services or a purchase order for “goods and services” then the contracts/PO’s should not be included on the SEFA. Review accounts which have been assigned an ALN/CFDA number ending in XX.000 to verify if the project should be included on the SEFA. If the sponsor’s agreement contains an audit requirement for a Single Audit (previously A-133 audit), the contract will be reported on the SEFA. We report all R&D contracts on the SEFA.

2. **Fixed Fee Basis Contracts** – If your agency is performing work for fixed fees, this is usually considered “services” and the expenditures would be excluded from the SEFA. The University has a number of service centers that perform work for various customers, primarily internal campus customers, but occasionally for customers external to the university. These services are performed based on rates that have been determined depending upon the type of services provided. It is necessary to review the agreement or contract and determine if the sponsor requires Single Audit reporting on the funds before excluding. We report all R&D contracts on the SEFA.
SAM UEI (Previously DUNS) and EIN Numbers

• Required to report the SAM Unique Entity Identifier number, formerly your DUNS number. Use of SAM UEI took effect on April 4, 2022.

• Required to report the Federal EIN (Entity Identification Number) number(s) being used by your agency.
Review NSE Sponsors

• Run query on Federal Schedule now!

• Compare list of NSE sponsors (non State of Texas sponsors) on SEFA website to ensure you have all NSE sponsors listed for use

• New NSE sponsors require contacting Financial Analyst at State Comptroller’s Office to add new names.

• Must provide copy of grant/contract document with sponsor’s name shown.

• Contacts are: Irma Toth (Irma.Toth@cpa.texas.gov) and Dina Fletcher (Dina.Fletcher@cpa.texas.gov)
Internal Checks of SEFA

• Verify assistance listing numbers and program titles to sam.gov and/or to the grant award document. It is useful to do this as new projects/accounts are set up during the fiscal year.

• Reconcile expenditures and other amounts listed to general ledger accounts (FAMIS) and/or other supporting documents.

• Accounts with ALN/CFDA number will be pulled into Federal Schedule query.

• Consider completeness and classification
  • Are there Federal awards in general ledger but not reported on the SEFA?
  • Federal awards that are R&D/non R&D but not classified as such. Did sponsor designate if the award was R&D?
U. S. Department of Education ALN – Assistance Listing Number

- Run query on Federal Schedule
- Must report U. S. Department of Education projects using additional alpha letter on the SEFA.
- FAMIS does not display this additional alpha character, but Maestro Reporting Code screen does.
- Make sure the alpha character is entered as part of SEFA record.
Resources


• State Comptroller SEFA Tutorial
  • Very useful to go through this tutorial.
  • Tutorial includes review questions after each section.
  • https://fmx.cpa.texas.gov/fmx/training/wbt/sefa/index.php

• Business Objects Queries

• SEFA Batch Entry Instructions – In State of Texas – Schedule of Expenditures of Federal Awards
  • Log into SEFA application for Batch Entry instructions
  • Use SEFA Batch Entry Worksheet