Fast Facts for Schedule of Expenditures of Federal Awards (SEFA)

The Ohio Department of Transportation (ODOT) is a recipient of Federal grant money and, as a pass-through entity, is responsible for guaranteeing these funds are properly used and accurately reported by each local public agency (LPA). As a result, the agency is also responsible for reviewing the LPA’s single audits. Any LPA receiving federal funds through ODOT needs to include with their audit a Schedule of Expenditures of Federal Awards (SEFA) for its reporting year (fiscal year).

What is it and why is it important?

The SEFA is a required schedule that is prepared by local and state governments for the period covered by the audit. It summarizes the amount of federal funds that were expended during that reporting year by that governmental entity.

A draft of the LPA’s SEFA should be provided to the external auditors for confirmation. The external auditors use the SEFA to help determine which funds are considered major grants, and therefore must be audited as such. It’s important that the LPA is correctly reporting the federal funds that were expended throughout the year to get an accurate picture of the funds being utilized. If this information is incorrect, a restatement of federal expenditures may be required.

What information should be provided?

When drafting the SEFA, the LPA must include, at a minimum, the project name and description, name of pass-through entity (ODOT), the identifying number assigned by ODOT (PID), the Catalog of Federal Domestic Assistance (CFDA) number (i.e., 20.205), and the total expenditures for each PID for the LPA’s fiscal year. A template for the SEFA can be found on ODOT’s Office of External Audit’s website: http://www.dot.state.oh.us/Divisions/Finance/Auditing/Pages/LocalPublicAgencies-LPA.aspx

The template guides the LPA through the required information for easy completion. The LPA will need to include all federal expenditures and any expenditures that will be reimbursed to the LPA in the future. The LPA should use all of its agreements and its invoices to determine the amounts to report.

What information should not be reported?

The LPA should not report task order payments or any project expenditures that ODOT administers. ODOT will report these expenditures. State and local expenditures are not to be accounted for on the SEFA.

Direct Pay vs. Reimbursement to LPA on a Local-Let Project

There are two options an LPA has to pay their contractor, consultant, etc.; the option selected affects when the LPA reports the expenditure.

Direct-Pay to Contractor – ODOT makes the federal payment on behalf of the LPA and pays it directly to the contractor. The LPA will need to memo-record both the revenue and the expenditure 15 days after the LPA invoices ODOT.

Reimbursement to LPA - The LPA pays the contractor directly and invoices ODOT for reimbursement for the federal share. The expenditure should be reported when the LPA pays the contractor, not when they are reimbursed by ODOT. Please note, it is possible for the LPA to pay the contractor in one reporting period and not be reimbursed by ODOT until the following reporting period.