

DEPARTMENT OF FINANCIAL SERVICES

2024 BFR Federal Reporting Workshop

Bureau of Financial Reporting

CFO JIMMY PATRONIS

Continuing Professional Education Credits (CPE)



Our course has been approved for two (2) hours of Continuing Professional Education (CPE) by the Florida Department of Business and Professional Regulation. The course designation number is 0029284.

CFO JIMMY PATRONIS

Statewide Financial Reporting Section Team

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Professional Accountant Specialist

The SEFA Process: How It Works

1

Agencies, universities,
and colleges send their
workbooks to DFS.

2

We compile the
workbooks and create a
SEFA report.

3

The SEFA report is used
to create the Data
Collection Form.

SEFA Process

General information

Agencies that expend federal awards are required to submit the schedule and notes to SEFA.

SEFA captures all agency expended Federal funds.

All Federal assistance received is categorized as either Direct Revenues or Pass-Through From.

All Federal assistance expended is categorized as either Expenditures or Pass-Through To.

SEFA Workbook

Assistance Listing

Verify Assistance Listing online at sam.gov.

Rounding Expenditures

Expenditure Types

Select the type of expenditure that is being reported.

- R&D: Y/N
- ARRA: Y/N
- COVID-19: Y/N
- American Rescue Plan (ARP): Y/N

Responses on Checklist

19 Checklist Items

Review Status

Ready for Submission!

SEFA Workbook

Needs Revisions

Needs Revisions	710000
<u>Checklist Item Issues</u>	<u>Help</u>
Checklist Item No. 11	Before revising this issue, make sure you have rounded all of your expenditures. You have at least one row on the SEFA Data Tab with a total subgranted amount (columns 14 and 15) that is larger than your total expenditures on the same row in Column 13. This is not allowed, please revise.
<u>Review Item Issues</u>	

Key Points

Certified Forwards

Certified Forwards are not considered current year Expenditures... Meaning if you certify forward it to the next fiscal year, you will not record it as an expenditure for the current year.

Expenditures

Any expenditures made MUST be reported. Even if revenues have not yet been received.

New ALN's

If you need to report an ALN that is not in the workbook an email must be sent to the FederalReporting@myfloridacfo.com inbox and your NOA (Notice of Award) needs to be attached for backup documentation.

Key Points

R&D

The federal award ***MUST*** be labeled as R&D for it to be recorded as such in the SEFA submission. Your institution does not classify what is R&D the award itself must state on it R&D.

Other Noncash Assistance

Food stamps, food commodities, vaccines, donated property, and other non-cash assistance should be valued at fair market value at the time of receipt, or the assessed value provided by the awarding agency.

Noncash Assistance

Equipment and Supplies: The receipt of federally-funded equipment, materials or supplies whether received directly from a federal agency or received indirectly from a pass-through agency is considered a non-cash award that must be reported on the SEFA. The recipient must report the fair market value at the time of receipt, or the assessed value provided by the awarding agency of the non-cash items on the SEFA. Regardless of the basis of accounting used by the recipient, non-cash awards are reported in the fiscal year they are received.

Key Points

SEFA Workbook

The SEFA Workbook has been updated to accommodate UEI. The unique entity identifier used across the Federal government changed from the DUNS Number to the Unique Entity ID (generated by SAM.gov).

Unique Entity ID

The Unique Entity ID is a **12-character** alphanumeric ID assigned to an entity by SAM.gov.

Identified Changes in OMB

- Not effective until October 1st, 2024 so WILL NOT go be instituted until next years SEFA
- Single Audit threshold was raised to \$1,000,000
- De Minimus indirect cost rates were raised to 15%

Resources

<https://sam.gov/content/duns-uei>

15-minute break

SEFA Workbook Naming Convention

For seamless filing and organization of your workbooks, we kindly request your adherence to the following naming convention:

“XXXXXX_DFS-A1-1830 SEFA Form_09-06-2024”

Remember to add your entity's OLO before the form name and the date of your submission after. If you require assistance, please do not hesitate to contact us at FinancialReporting@myfloridacfo.com.

SEFA ACFR Relationship



5% or \$35 Million Thresholds

Reconciliation Template

SEFA Reconciliation Template				
Instructions:				
The expenditures reported on the SEFA should be compared to the grant revenues recorded in the financial statements. If the difference is 5% or more of the total SEFA expenditures, or \$35 million or more, an explanation is required. Specific reconciling items should be identified in the space below.				
ACFR			OLO	SEFA
GL Code	GL Title	Financial Statements Balance		Total Expenditures Reported
61400	Grants and Donations - Non Capital (Federal Portion)		0	\$ -
62100	Capital Grants and Donations (Federal Portion)			
65600	Federal Funds Transfers In from Other Agencies			
68300	Non Capital Grants and Donations (Federal Portion)			
68700	Capital Grants and Donations (Federal Portion)			
		Total Balance: \$		-
		ACFR/SEFA Reconciling Difference		
		0.00%		
		\$ -		
Reconciling Items (1)				Amounts
1				
2				
-				

Grading

▶ Timeliness

A (100%) = On or before deadline
B (80%) = 1-2 business day late
C (70%) = 3-5 business days late
D (60%) = 6-10 business days late
F (0%) = >10 business days late

50%

▶ Accuracy

A(100%) = Submitted with ready status 1st try
C (70%) = 1st submission needs revisions
F (0%) = Additional submissions need revisions

50%

Grading Scale

A = 90% - 100%

B = 80% - 89%

C = 70% - 79%

D = 60% - 69%

F = 0% - 59%

Dates to Remember

Agencies:

September 6: SEFA Workbook Due.

- ▶ Submit SEFA Workbook electronically to FederalReporting@myfloridacfo.com
After the submission due date, please limit revisions because audit adjustments are being provided to us by the Auditor General.

November 18: Agency Representations Letter to CFO Due.




Colleges and Universities:

September 16: SEFA Workbook Due.

- ▶ Submit SEFA Workbook electronically to FederalReporting@myfloridacfo.com
Limit revisions after due date to audit adjustments submitted by the Auditor General
Colleges submit to DOE by due date that DOE has provided.
Universities submit to BOG by due date that BOG has provided.

November 18: Agency Representations Letter to CFO Due.

Don't Guess, Prove! Why Supporting Documentation Matters.

-  Transparency: Supporting documents provide clarity and openness to auditors.
-  Accuracy: Ensures the numbers reported are trustworthy and error-free.
-  Completeness: No missing puzzle pieces - every transaction is accounted for.

15-minute break

DEPARTMENT OF FINANCIAL SERVICES

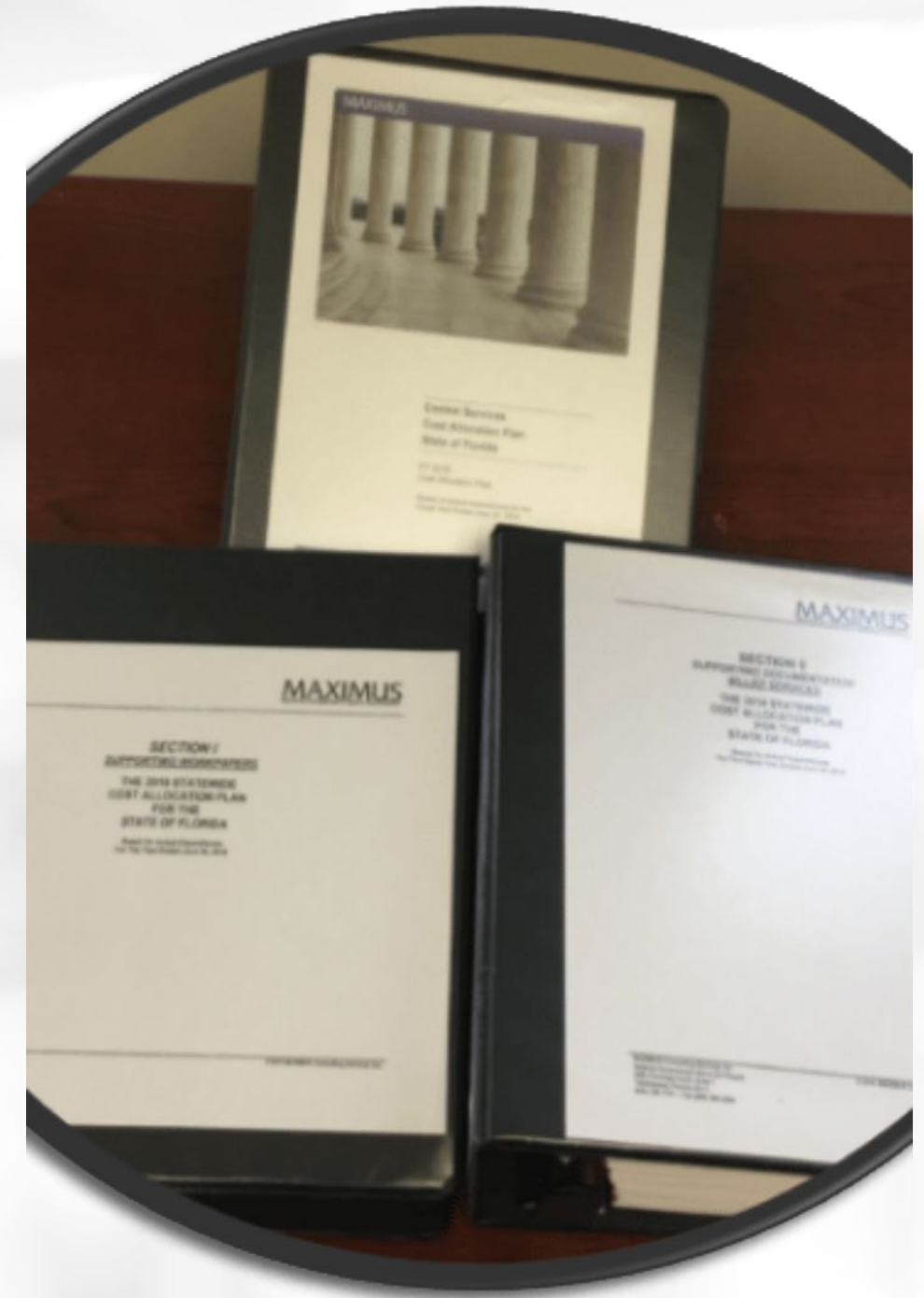
Statewide Cost Allocation Plan (SWCAP)

CFO JIMMY PATRONIS

What is the SWCAP?

The **State-Wide Cost Allocation Plan**

An annual plan submitted for approval to the Federal Government regarding statewide indirect costs and their impact on Federal Grants.



What are State-Wide Indirect Costs?

Costs associated with *central services* which cannot be accurately attributed to specific cost objects.

Central Services are provided by *central service agencies*, for *operating agencies*.



What are Central Services?

Examples of Central Services:

Audit Services

Facilities Maintenance

FLAIR Administration

Records Storage



What are Operating Agencies?

Those agencies which serve or benefit the public directly.

What is the purpose of the SWCAP?

1

To allocate incurred central service costs to operating agencies in order to project costs for future periods which will be included in operating agencies' indirect cost negotiations with the Federal Government.

Allocated Central Service Costs

2

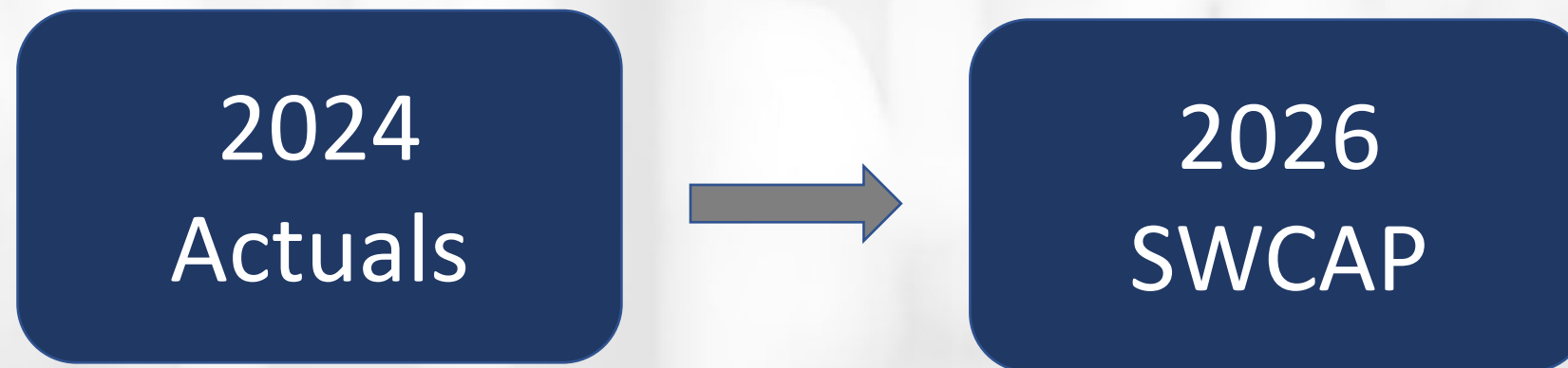
To reconcile the costs and recoveries associated with billed central services to federal limitations.

Billed Services

Section I : Allocated Central Service Costs

Timing of SWCAP Section I

Section I of the SWCAP is a *projection* of allocated central service costs using historical data. A fiscal years' financial data is used to calculate the *projected* costs for two years later.



How do we calculate the amount to be allocated?

An Allocation Base is used to determine what portion of the central service cost each operating agency is responsible for.

What is an allocation base?

A quantifiable measure used to determine how much of the costs should be assigned to a particular operating agency.

Central Service Department

Auditor General

DFS-Central Payroll System

Allocation Base

Audit Hours

Number of FTEs at each Agency

Allocation Methodology Must Be



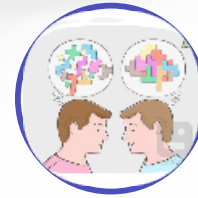
Measurable

The Auditor General's audit hours are measurable and quantifiable.



Consistent

The audit costs are allocated consistently to each receiving agency using the same base: the audit hours.



Reasonable

The Auditor General is able to support the amounts of hours used in the allocation because the hours are documented.



Documented

The Auditor General is able to support the amounts of hours used in the allocation because the hours are documented.

Section I : Allocated Central Service Costs

Example :

The Auditor General's office spent \$10,000 and 100 audit hours auditing 3 agencies:

- Agency 1's audit took 30 hours
- Agency 2's audit took 50 hours
- Agency 3's audit took 20 hours

Total amount to be allocated: \$10,000

Total audit hours: 100 hours

Hours consumed:

Agency 1 – 30 hours

Agency 2 – 50 hours

Agency 3 – 20 hours

Agency	Calculation	Amount Allocated
1	$\$10,000 \times 30\%$	\$3,000
2	$\$10,000 \times 50\%$	\$5,000
3	$\$10,000 \times 20\%$	\$2,000

Section I : Allocated Central Service Costs

After the allocation of costs, we still need to determine the roll forward amounts before we reach the final projected SWCAP amount for an agency.

How do we calculate Roll Forwards?



The projected costs from the 2026 SWCAP consists of the allocated costs from FY 2024 plus the Roll Forwards for that year.

Section I : Allocated Central Service Costs

Example:

In preparation of the 2026 SWCAP, Agency 1 was allocated **\$10,000** of FY 2024's central service costs.

In the 2025 SWCAP, Agency 1's total allocation (FY 2023 costs + roll forward) was \$9,000. Therefore, Agency 1 incurred **\$1,000** more in costs than expected.

Agency 1's final projected amount for the 2026 SWCAP is \$11,000. \$10,000 from the actual costs for 2024, \$1,000 rolled forward from the 2024 SWCAP.

2023 SWCAP Schedule A

FOR THE FISCAL YEAR ENDING JUNE 30, 2023
 Schedule A - Allocated Costs by Department

Central Service Departments	Allocated Costs for Fiscal 2021	Roll Forwards	Fixed Costs
JUVENILE JUSTICE	725,560	(5,394)	720,166
STATE BD OF ADMIN	363,289	39,682	402,972
INTRA-DEPT ADMIN	10,420,729	(152,867)	10,267,862
ALL OTHER	23,468,506	(2,005,791)	21,462,715
Total Allocated	102,060,152	1,958,400	104,018,552
Direct Billed	0		
Unallocated	6,697,703		
Cost Adjustments	(1,888,727)		
Disallowed	129,312,550		
Total Expenditures	236,181,678		

2023 SWCAP Schedule A

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**FY 2023
 Projection**

15-minute break

Section II : Billed Services

Section II : Billed Services

Section II serves to reconcile the costs and recoveries associated with billed central services to federal limitations. To accomplish this, we collect information from the Internal Service Fund (ISF) associated with the service.

An ISF is a fund used to track goods or services shifted between departments on a cost reimbursement basis.

ISF example

DMS's Supervision and Facilities Pool Clearing Trust Fund is the ISF used to manage the properties of the State: utilities, repairs, etc.

To receive this service, State Agencies are charged a statewide uniform rate per square foot of space they occupy.

Section II : Billed Services

For each ISF, we must determine the current balance of the fund.





ISFs may carry a working capital reserve as part of retained earnings of up to 60 calendar days **cash** expenses for normal operating purposes.

Note: Unlike when determining the fund balance, depreciation is not included when determining the allowable reserve; it is not a **cash** expense.



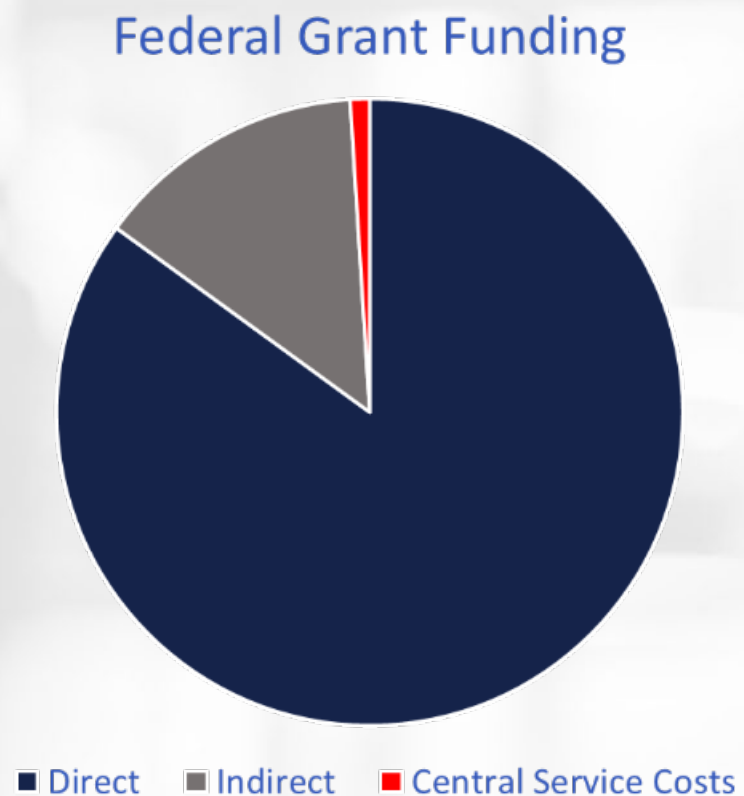
If the fund balance exceeds the 60-day reserve, the fund is considered as having an excess balance.

Operating Agencies' role

- Develop an Indirect Cost Proposal
- Process Transfers to General Revenue

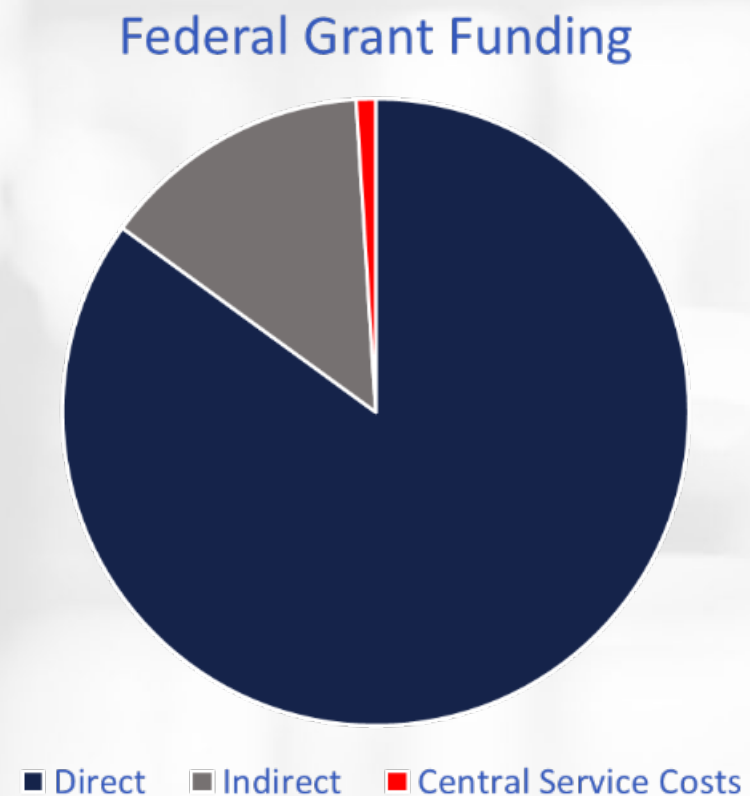
Operating Agencies – Indirect Cost Proposals

Operating agencies who receive federal financial assistance/grant funds negotiate an indirect cost rate with the Federal Government each year via an indirect cost proposal.



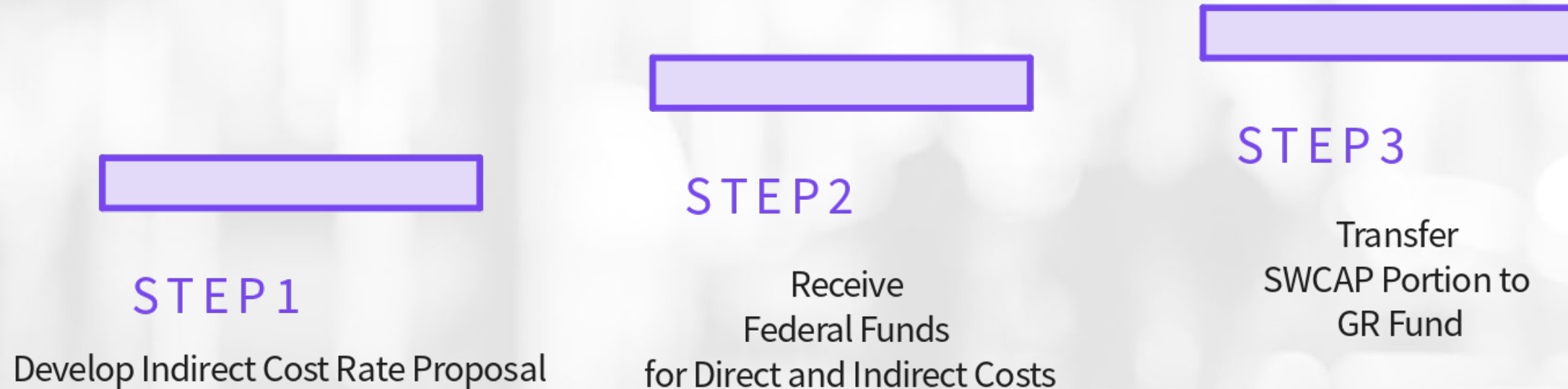
Operating Agencies – Indirect Cost Proposals

When preparing the indirect cost proposal, agencies are required to include the allocated central service costs from the SWCAP as part of their allowable indirect costs.



Operating Agencies – GR Transfer

Florida Statutes also require agencies to deposit the portion of indirect funds received representing the reimbursement of allocable central service costs in the General Revenue (GR) fund **quarterly**.



Operating Agencies – GR Transfer

The rate used to calculate the transfer should be representative of the portion of the indirect rate negotiated that represented central service costs.

$$\frac{\text{Allocated SWCAP Costs}}{\text{Total Allowable Indirect Costs}} = \text{SWCAP Percent Rate}$$

Operating Agencies – GR Transfer

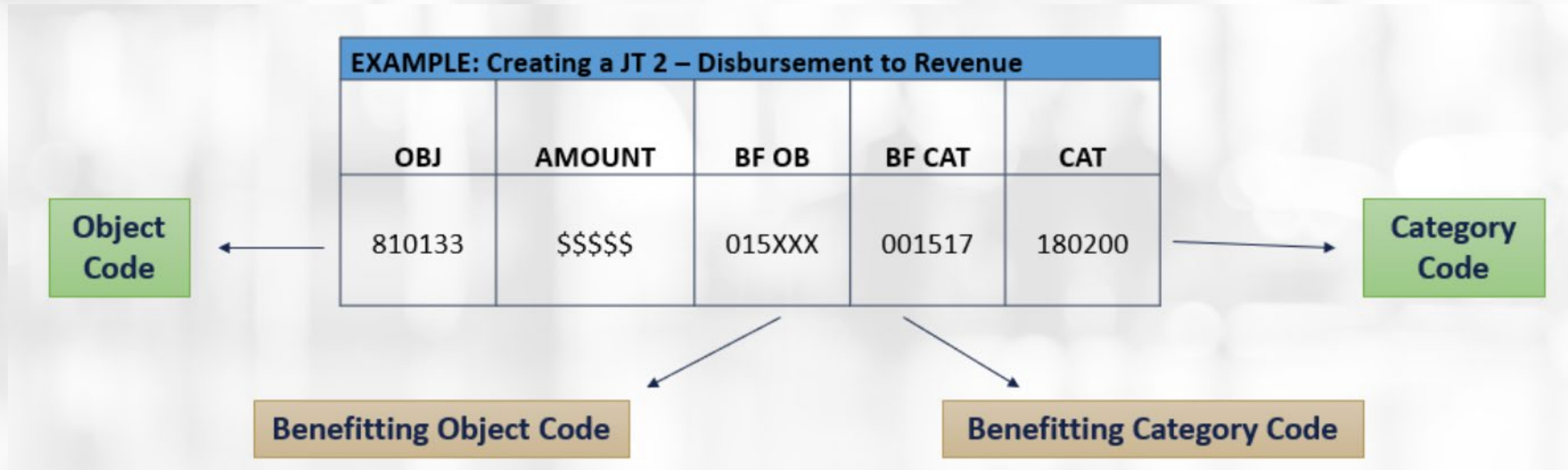
The agency should transfer only a representative portion of the indirect costs **received**.



IMPORTANT: The amount transferred is NOT the amount that was allocated. It is a portion of the indirect receipts.

Operating Agencies – GR Transfer

The transfers should be coded as follows:



Operating Agencies – GR Transfer

S. 215.195, Florida Statutes, requires DFS to monitor agency compliance with the GR Transfer Requirements. This monitoring takes two forms:

- Quarterly, the coordinator will reach out to agencies who have not submitted a transfer for that quarter.
- On a sampled basis, the coordinator will reach out to agencies to obtain detailed information on a particular transfer to validate the appropriateness of the amount transferred.

Central Service Agencies' role

- Provide documentation for the development of the SWCAP
- Reconcile Excess Balances

Central Service Agencies - Documentation

Central Service Agencies are required to submit documentation required for the preparation of the SWCAP. The agency will receive a request for information from the SWCAP coordinator in July or August of each year.

 Documentation is typically due the first week of September.

Central Service Agencies – Excess Balances

For Central Service Agencies with billed services, if an internal service fund carries an excess balance, the Central Service Agency is required to address the excess balance in one of four ways:

- 1** Provide a refund, including interest, to the Federal Government.
- 2** Make a credit to the amounts charged to individual programs.
- 3** Make adjustments to future billing rates.
- 4** Make adjustments to the allocated central service costs in Section I.
- 5** Request to be allowed to rollover the entire excess balance with full intention of reducing the fund balance. This request must include a justification for the request and a detailed plan to reduce the fund balance so that it will not exceed the allowable reserve amount in the future.

Central Service Agencies – Excess Balances

In the event of an excess balance, the balance and potential repayment amount will be provided to the Central Service Agency by the SWCAP Coordinator. DFS will work with the agency to determine the best course of action and will serve as the liaison between the Federal Government and the Central Service Agency.

Thank you !

Any questions, comments or suggestions?

References - SEFA

- [31 U.S.C. Ch. 75 § 7502](#) – Requires single audit
- [2 CFR 200.501 Audit requirements](#)
- [2 CFR 200.510 Financial Statements](#)
- [2 CFR 200.331 Subrecipient and Contractor Determinations](#)
- [2 CFR 200.332 Requirements for pass-through entities](#)
- [2 CFR 200.400, \(Cost Principles \)Policy Guide](#)
- [Compliance Supplement](#) – Audit Procedures
- [Assistance Listings - SAM.gov](#)
- [Data Collection Form Instructions \(SF-SAC\)](#) – Federal submission requirements

References - SWCAP

- S. 215.195, Florida Statutes – Agency Deposits Relating to the Statewide Cost Allocation Plan.
- Appendix V to 2 CFR, Part 200 – State/Local Government and Indian Tribe-Wide Central Service Cost Allocation Plans
- Appendix VII to 2 CFR, Part 200 – States and Local Government and Indian Tribe Indirect Cost Proposals
- 2 CFR, Part 200.416 – Cost Allocation Plans and Indirect Cost Proposals

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