

STATE OF OKLAHOMA
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES
GAAP CONVERSION MANUAL

Z. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS CONVERSION PACKAGE June 2022

I. PURPOSE AND OBJECTIVES

The Single Audit Act of 1984, Public Law 98-502, the Single Audit Act Amendments of 1996, Public Law 104-156 and OMB Circular A-133 (as amended) required state and local governmental units to prepare the Schedule of Expenditures of Federal Awards (SEFA) showing the total expenditures for each federal assistance program and other cost reimbursement contracts.

These requirements have been combined into and superseded by the **Uniform Guidance for Federal Awards**. The guidance adds new reporting requirements for state agencies. Agency personnel responsible for the tracking and accounting of federal awards should become familiar with the updated requirements in the Uniform Guidance for Federal Awards.

OMES and the SA&I have developed procedures for agencies that satisfy the requirements set forth in the Uniform Guidance for Federal Awards (formerly OMB Circular A-133). Conversion Package Z was designed for agencies to provide federal information by Assistance Listing number (ALN) (1) to OMES for the compilation of the SEFA and (2) to SA&I for the Single Audit compliance. OMES Package Z requires that agencies:

- * provide cash totals of the federal receipts and disbursements as well as program income
- * adjust cash totals to modified accrual amounts

PRIMARY RECIPIENTS, TRANSFERS FROM STATE AGENCIES, SUBRECIPIENTS of grant/entitlement funds as well as agencies who receive funds under COST REIMBURSEMENT CONTRACTS (see key terms in Part III) within state government will report amounts in this conversion package.

The state receives federal funding for state agency programs in different ways:

- * Some grants provide funds on a cost-reimbursement basis; agencies incur costs and then bill the grantor for reimbursement.
- * Some programs provide for advance payments or permit agencies to draw against letters of credit as they incur eligible expenditures.
- * Some programs provide noncash benefits such as supplemental nutrition benefits, commodities, and surplus property.
- * Entitlement programs award specific amounts for particular accounting periods.
- * The state may have entered into Cost Reimbursement Contracts to provide work to the federal government as subcontractors.

Individual state agencies may:

- * Distribute funds to other state agencies as a transfer for anything other than provider service payments.
- * Distribute funds to non-state organizations such as municipalities, counties, nonprofit organizations, or institutions of higher education.
- * Expend grant/entitlement program funds directly for benefits to individuals, supplies, pay indirect costs or provider service payments, etc. Provider service payments are those amounts paid to an entity or agency in the business of providing the particular service, with set billing rates that would apply to everyone for the same type of service.

The Uniform Guidance (formerly OMB Circular A-133) requires the state to report:

- * Federal programs by federal agency.
- * For federal awards received as a subrecipient, the name of the pass-through entity. Under the new guidance, subrecipient awards need to be tracked and reported as provided to non-state agencies including higher education institutions.

- * Total federal awards expended for each federal program and the ALN or other identifying number when the ALN information is not available.

II. AGENCY ACTION REQUIRED

- A. **Complete the Accounts Payable and Encumbrance Conversion Package (Package I) and the Federal Grant/Entitlement Receivables and Deferred Revenue Summary Conversion Package (Package D) before you work on the Schedule of Expenditures of Federal Awards Conversion Package.** Some of the information classified as accounts payable and federal receivables will affect the amounts included in this conversion package.
- B. Carefully read the key terms in Part III.
- C. The Schedule of Expenditures of Federal Awards Worksheet form (worksheet) should reflect amounts for the year ended June 30.
- D. Round all dollar amounts to the nearest whole dollar.
- E. All working papers are subject to audit by the State Auditor & Inspector (SA&I). The agency is required to keep a copy of the completed summary forms and all associated working papers for three years after the completion of the SA&I audit.
- F. The person who completes and signs the summary form should keep a copy. A financial reporting analyst will contact this person if there are any questions.
- G. If needed, call your agency's financial reporting analyst for guidance.
- H. Return the completed summary form to your OMES financial reporting analyst by e-mail **no later than the due date shown on the form.** If you can return it earlier, please do so.
- I. If the summary form does not apply to your agency, check the box in the upper left portion of the summary, complete item (2) and return it to OMES.

III. KEY TERMS

- A. Basis of Accounting for the Schedule of Expenditures of Federal Awards - The modified accrual basis of accounting determines when to recognize revenue and expenditures in the financial statements. The modified accrual basis of accounting recognizes revenue when it is both measurable and available and recognizes expenditures when transactions are expected to be paid with current spendable resources.
- B. Unique Entity Identification (UEI) Number – Effective April 4, 2022, the Unique Entity ID from SAM.gov is a 12-character alphanumeric, authoritative identifier for those doing business with the federal government. The DUNS Number is no longer valid for federal award identification.
- C. Grant - A contribution or gift of cash or other assets from the federal government to be used or expended for a specified purpose, activity, or facility.

Capital Grant - Grant restricted by the federal government for the purchase and/or construction of fixed assets.

Operating Grant - Grant restricted to operating purposes or that may be used for either capital or operating purposes at the discretion of the grantee.

- D. Entitlement - An entitlement consists of cash or other assets that the federal government contributes to the state. Entitlement programs base awards on allocation formulas contained in applicable laws. Entitlement programs award specific amounts for particular accounting periods and impose few real restrictions. Once the state receives an entitlement award, only the state's failure to follow prescribed regulations will cause loss of the funds.
- E. Cost Reimbursement Contract - Contracts with the federal government on which the basis for payment is reimbursement of cost rather than a set fee. This would not include a payment for goods or services received in a vendor relationship.
- F. ALN - The Assistance Listing Number (ALN) includes a specific reference number for most federal programs. Each program is found in the Catalog of Federal Domestic Programs. Each ALN is assigned a five-digit program identification number: the first two digits identify the federal department or agency that administers the program, and the last three numbers are assigned in numerical sequence. **This replaces the Catalog of Federal Domestic Assistance identifier (CFDA).**
- G. OMES Tracking Number - The number assigned by the Office of Management and Enterprise Services to federal programs for which a ALN could not be determined.
- H. Primary Recipient - The agency that initially receives funds from the federal government and who is accountable to the federal government for the funds.
- I. Program Income - Program income is revenue earned on federal funds. Interest income, rebates and cash received for federal property are examples of program income.
- J. Sub-recipient - An agency that receives funds from a primary recipient (non-state) rather than directly from the federal government.
- K. State Agency Transfer – Amounts paid between state agencies except where agency receiving funds from another state agency is in the business of providing the particular service, with set billing rates that would apply to everyone for the same type of service.
- L. "Pass-Through" Funds - "Pass-through" funds are distributed from the primary recipient to other state or non-state organizations (end recipients) in the form of a grant/entitlement (not a payment for goods or services).
- M. Federal Receipts - Funds received from federal sources as described in Part I.
- N. Federal Disbursements - Payments of federal funds made to vendors, subrecipients, contractors, employees etc., for allowable costs related to the program or contract.
- O. COVID-19 Funds – Any federal program initiated to combat the COVID-19 global pandemic including COVID-19 provisions added to existing programs.

IV. SPECIFIC INSTRUCTIONS

- A. Preparation of the Data - Prior to completing the Schedule of Expenditures of Federal Awards form:
 1. Complete the Accounts Payable and Encumbrance Conversion Package (Package I) and the Grant/Entitlement Receivables and Deferred Revenue Summary Conversion Package (Package D). Determine the payables, receivables and deferred revenue related to each grant. Some payables represent expenditures that will be paid or reimbursed with federal grant funds. These payables could also be recorded as grant/entitlement receivable.
 2. Determine all grants, entitlements and contracts open during the fiscal year.
 3. Review the key terms section of this conversion package carefully before you attempt to complete the forms.

- B. Completing the Schedule of Expenditure of Federal Awards Conversion Package (please make additional copies of Package Z, pages Z.2, Z.3, Z.4, and Z-5 as needed) Please note the numbers that follow in this section refer to line numbers on the package Z forms.

Please note that the Accounts Payable and Encumbrance Conversion Package (Package I) and the Grant/Entitlement Receivable and Deferred Revenue Summary Conversion Package (Package D) should be completed before the Schedule of Expenditure of Federal Awards Conversion Package. (See II.A.)

Primary Recipient Grants Z-1, 2

1. Enter the agency ACFR code, name, and funds/accounts to be included on the summary.
2. Provide the name, title, phone number and date for each person who completes and approves this summary form. Before signing, mark “Yes” or “No” to the questions regarding negotiated indirect cost rates. Additional information about negotiated indirect cost rates is contained in the cell comments of the online form. The finance officer or executive director should approve and sign the form before sending it to OMES. Keep a copy of the form. When submitting the form via email it should come from the address of the approving officer. This will act as an implicit electronic signature verifying the form has been reviewed for validity, accuracy, and completeness.
- 2.1 List all of the 12-digit UEI numbers that are associated with the primary recipient grants received by your agency. Every agency that receives direct federal awards should have at least one UEI number. UEI numbers are required when applying to the federal government for federal grant awards.

Complete lines 3 through 10 for each federal program that your agency participates in as a primary recipient. (Make additional copies of page Z.2 as needed.)

3. Enter the ALN or OMES tracking number and the official program title for each federal program or contract open during the year.
4. Enter the name of the federal grantor agency of the federal program and indicate status: N - New, C - Continuing or T - Terminated.
- 4.1 For COVID-19 Funds (as defined in Section III), mark the “COVID-19 Funds” line with an X. If funds related to COVID-19 programs are administered through other non-COVID ALN programs, those amounts should be segregated and reported separately from the non-COVID ALN.

Note: Due to new federal reporting requirements in FY2016, two columns were added to package Z for the primary recipient grants and cost reimbursement contracts to comply with the new requirements. The columns are:

1. “Amount Provided to Subrecipients Non-state Agencies & Higher Education”
2. “Amount Transferred to State Agencies (Not Higher Education)”

The federal revenues and expenses reported as provided to non-state agencies functioning as subrecipients and Higher Education institutions should be entered in the “Amount Provided to Subrecipients Non-state Agencies & Higher Education” column. This amount should also be included in the Federal revenue and expense columns of the primary recipient. If the grant payment is made to the Oklahoma higher education institution as a service provider or payment for goods or services, then it is considered a federal expenditure and not included in subrecipient expenditures.

The amount reported as provided by the primary recipient to state agencies should be entered in the “Amount Transferred to State Agencies (Not Higher Education)” column. This amount should be included in the Federal revenue but not in expense columns of the primary recipient.

5. Summarized data should be reported on this line. The summarized data should be compiled by

ALN and reported to OMES in summary form. Detailed data should be maintained for both receipts and disbursements to support amounts submitted. Detail of federal revenues should include amounts received from the federal government in treasury funds, agency special accounts, noncash receipts, and program income. Detail of federal expenditures should include direct expenditures from treasury funds, agency special accounts, payroll, allocated costs, indirect costs, noncash distributions, and expenditures of program income. Enter cash basis numbers as follows:

a) Enter the beginning federal cash balance in the beginning of the year column. *Note: this amount should equal the ending balance from the prior year. Adjustments, if required, should be included (netted) in the revenue or expense columns described below.*

b) Enter the total cash basis revenue for the program. Direct federal cash receipts as reported in the OMES monthly SEFA Revenue Report should be adjusted for corrections, agency special account receipts, noncash receipts, or other adjustments. *Note: This amount should not include matching funds.*

c) Enter the total cash basis expenditures for the program. The expenditures reported on the OMES monthly SEFA Expenditure Report should be adjusted for corrections, payroll, allocated costs, indirect costs, agency special account expenditures, program income expended and other adjustments. These expenditures should not include amounts paid from matching funds.

d) The system will calculate the federal cash balance as of June 30. This balance should be the beginning of year balance plus federal revenue less federal expenditures.

e) Enter in the amount provided to non-state agency subrecipients and higher education institutions in the column. This amount should be included in the total federal revenue and expenditures columns.

f) Enter in the amount transferred to state agencies excluding higher education institutions in the column. This amount should be included in the total federal revenue column and not in the federal expenditures columns.

Enter accrual adjustments from Conversion Packages D and I on lines 6 through 9. Please note that these receivables and payables should agree with amounts reported on Conversion Packages D and I unless these payables and receivables include amounts from a higher education institution or another state agency. If these amounts differ, please provide a reconciling schedule tying total federal receivables/payables to amounts reported on Package D, I, Q, and Z. Amounts could be different because of payables or receivables from higher education institutions or other state agencies are charged to federal programs. These payables/receivables would be shown on Package Z as a current account payable/receivable, however, payables/receivables to/from higher education institutions or other state agencies are not included on Package D or I. Therefore, this would cause differences between packages Z, D, and I.

6. Enter the federal receivable from the prior year Conversion Package D (line 4). If adjustments are made, provide an explanation.
7. Enter the federal payable from the prior year Conversion Package I (line 11). If adjustments are made, provide an explanation.
8. Enter the federal receivable from the current year Conversion Package D (line 4). If adjustments are made, provide an explanation.
9. Enter the federal payable from the current year Conversion Package I (line 11). If adjustments are made, provide an explanation.
10. Total lines 5 through 9 (*calculated by system*).

Transfers from State Agencies Z-3

Complete lines 11 through 18 for each transfer that your agency received as a transfer from state agencies. **Please do not include provider payments.** (Make additional copies of page Z.3 as needed.)

11. Enter the ALN or OMES tracking number and the official program title for each federal program or contract open during the year.
12. Enter the name of the state agency that provides the federal funds. Respond, "Yes", if you receive the funds on a reimbursement basis 100% of the time, if not answer, "No".
13. Summarized data should be presented on this line. The summarized data should be compiled by ALN and reported to OMES in summary form. Detailed data should be maintained for both receipts and disbursements to support amounts submitted. Detail of federal revenues should include amounts received from other state agencies. Detail of federal expenditures should include direct expenditures from those transferred federal funds from other state agencies. Enter cash basis numbers as follows:
 - a) Enter the beginning federal cash balance in the beginning of the year column. *Note: this amount should equal the ending balance from the prior year. Adjustments, if required, should be included (netted) in the revenue or expense columns described below.*
 - b) Enter the total cash basis revenue for the program. Cash received from grantor as reported in the OMES monthly SEFA Revenue Report should be adjusted for corrections, agency special account receipts, noncash receipts, or other adjustments. This amount should not include matching funds.
 - c) Enter the total cash basis expenditures for the program. The expenditures reported on the OMES monthly "SEFA Expenditure Report" should be adjusted for corrections, payroll, allocated costs, indirect costs, agency special account expenditures, program income expended and other adjustments. These expenditures should not include amounts paid from matching funds.
 - d) The system will calculate the federal cash balance as of June 30. This balance should be the beginning of year balance plus federal revenue less federal expenditures.

Enter accrual adjustments from Conversion Packages D and I on lines 14 through 17. Please note that these receivables and payables should agree with amounts reported on Conversion Packages D and I unless these payables and receivables include amounts from a higher education institution or another state agency. If these amounts differ, please provide a reconciling schedule tying total federal receivables/payables to amounts reported on Package D, I, Q, and Z. Amounts could be different because of payables or receivables from higher education institutions or other state agencies are charged to federal programs. These payables/receivables would be shown on Package Z as a current account payable/receivable. However, payables/receivables to/from higher education institutions or other state agencies are not included on Package D or I. Therefore, this would cause differences between packages Z, D, and I.

14. Enter the federal receivable from the prior year Conversion Package D (line 4). If adjustments are made, provide an explanation.
15. Enter the federal payable from the prior year Conversion Package I (line 11). If adjustments are made, provide an explanation.
16. Enter the federal receivable from the current year Conversion Package D (line 4). If adjustments are made, provide an explanation.
17. Enter the federal payable from the current year Conversion Package I (line 11). If adjustments are made, provide an explanation.
18. Total lines 13 through 17 (*calculated by system*).

Subrecipient Grants Z-4

Complete lines 19 through 26 for each federal program that your agency participates in as a **subrecipient**. (Make additional copies of page Z.4 as needed.)

19. Enter the ALN or OMES tracking number and the official program title for each federal program or contract open during the year.
- 19a. Enter pass through entity identifying number. Example: grant, contract, or unique identifying number. *Note: This is a new reporting requirement effective FY2016 and subsequent years.*
20. Enter the name of the nonfederal source that provides the federal funds. Please note, non-federal source should not be another state agency. Respond, "Yes", if you receive the funds on a reimbursement basis 100% of the time, if not answer, "No".
21. Summarized data should be presented on this line. The summarized data should be compiled by ALN and reported to OMES in summary form. Detailed data should be maintained for both receipts and disbursements to support amounts submitted. Detail of federal revenues should include amounts received from non-state agencies. Detail of federal expenditures should include direct expenditures from those federal funds passed through from non-state agencies. Enter cash basis numbers as follows:
 - a) Enter the beginning federal cash balance in the beginning of the year column. *Note: this amount should equal the ending balance from the prior year. Adjustments, if required, should be included (netted) in the revenue or expense columns described below.*
 - b) Enter the total cash basis revenue for the program. Cash received from grantor as reported in the OMES monthly SEFA Revenue Report should be adjusted for corrections, agency special account receipts, noncash receipts, or other adjustments. This amount should not include matching funds.
 - c) Enter the total cash basis expenditures for the program. The expenditures reported on the OMES PeopleSoft monthly, "SEFA Expenditure Report", should be adjusted for corrections, payroll, allocated costs, indirect costs, agency special account expenditures, program income expended and other adjustments. These expenditures should not include amounts paid from matching funds.
 - d) The system will calculate the federal cash balance as of June 30. This balance should be the beginning of year balance plus federal revenue less federal expenditures.

Enter accrual adjustments from Conversion Packages D and I on lines 14 through 17. Please note that these receivables and payables should agree with amounts reported on Conversion Packages D and I unless these payables and receivables include amounts from a higher education institution or another state agency. If these amounts differ, please provide a reconciling schedule tying total federal receivables/payables to amounts reported on Package D, I, Q, and Z. Amounts could be different because of payables or receivables from higher education institutions or other state agencies are charged to federal programs. These payables/receivables would be shown on Package Z as a current account payable/receivable, however, payables/receivables to/from higher education institutions or other state agencies are not included on Package D or I. Therefore, this would cause differences between packages Z, D, and I.

22. Enter the federal receivable from the prior year Conversion Package D (line 4). If adjustments are made, provide an explanation.
23. Enter the federal payable from the prior year Conversion Package I (line 11). If adjustments are made, provide an explanation.

24. Enter the federal receivable from the current year Conversion Package D (line 4). If adjustments are made, provide an explanation.
25. Enter the federal payable from the current year Conversion Package I (line 11). If adjustments are made, provide an explanation.
26. Total lines 21 through 25 (*calculated by system*).

Cost Reimbursement Contracts Z-5

Complete lines 27 through 34 for each **cost reimbursement contract** (see key terms) your agency participates in. (Make additional copies of page Z.5 as needed.)

27. Enter the ALN or OMES tracking number and the official program title for each federal program or contract open during the year.
28. Enter the name of the federal grantor agency of the federal program and indicate status: N - New, C - Continuing or T - Terminated.

Note: Due to new Federal reporting requirements in FY2016, two columns were added to package Z for the primary recipient grants and cost reimbursement contracts to comply with the new requirements. The columns are:

3. "Amount Provided to Non-state Agency Subrecipients & Higher Education"
4. "Amount Transferred to State Agency (Not Higher Education)"

The federal revenues and expenses reported as provided to non-state agencies functioning as subrecipients and Higher Education institutions should be entered in the "Amount Provided to Non-state Agency Subrecipients & Higher Education" column. This amount should also be included in the federal revenue and expense columns of the primary recipient.

The amount reported as transferred by the primary recipient to state agencies should be entered in the "Amount Transferred to State Agency (Not Higher Education)" column. This amount should not be included in the expense columns of the primary recipient.

29. Summarized data should be reported on this form. The summarized data should be compiled by ALN and reported to OMES in summary form. Detail data should be maintained for both receipts and disbursements to support amounts submitted. Detail of federal revenues should include amounts received from the federal government in treasury funds, agency special accounts, noncash receipts, and program income. Detail of federal expenditures should include direct expenditures from treasury funds, agency special accounts, payroll, allocated costs, indirect costs, noncash distributions, and expenditures of program income. Enter cash basis numbers as follows:
 - a) Enter the beginning federal cash balance in the beginning of the year column. *Note: this amount should equal the ending balance from the prior year. Adjustments, if required, should be included (netted) in the revenue or expense columns described below.*
 - b) Enter the total cash basis revenue for the program. Direct federal cash receipts as reported in the OMES monthly SEFA Revenue Report should be adjusted for corrections, agency special account receipts or other adjustments. This amount should not include matching funds.
 - c) Enter the total cash basis expenditures for the program. The expenditures reported on the OMES PeopleSoft monthly, "SEFA Expenditure Report", should be adjusted for corrections, payroll, allocated costs, indirect costs, agency special account expenditures, program income expended and other adjustments. These expenditures should not include amounts paid from matching funds.
 - d) The system will calculate the federal cash balance as of June 30. This balance should be the beginning of year balance plus federal revenue less federal expenditures.

e) Enter in the amount provided to non-state agency subrecipients and higher education institutions in the column. This amount should be included in the total federal revenue and expenditures columns.

f) Enter in the amount transferred to state agencies excluding higher education institutions in the column. This amount should not be included in the total federal expenditures columns.

Enter accrual adjustments from Conversion Packages D and I on lines 22 through 25. Please note that these receivables and payables should agree with amounts reported on Conversion Packages D and I unless these payables and receivables include amounts from a higher education institution or another state agency. If these amounts differ, please provide a reconciling schedule tying total federal receivables/payables to amounts reported on Package D, I, Q, and Z. Amounts could be different because of payables or receivables from higher education institutions or other state agencies are charged to federal programs. These payables/receivables would be shown on Package Z as a current account payable/receivable, however, payables/receivables to/from higher education institutions or other state agencies are not included on Package D or I. Therefore, this would cause differences between packages Z, D, and I.

30. Enter the federal receivable from the prior year Conversion Package D (line 4). If adjustments are made, provide an explanation.

31. Enter the federal payable from the prior year Conversion Package I (line 11). If adjustments are made, provide an explanation.

32. Enter the federal receivable from the current year Conversion Package D (line 4). If adjustments are made, provide an explanation.

33. Enter the federal payable from the current year Conversion Package I (line 11). If adjustments are made, provide an explanation.

34. Total lines 29 through 33 (*calculated by system*).

C. Working Papers

The agency should keep any documents that support data on the summary. For example, agencies should thoroughly document:

- * How you computed each amount.
- * The source(s) of data for each amount.
- * Track amounts provided to subrecipients (Non-state agencies and higher education institutions)
- * Track amounts transferred to other state agencies

In addition, you should retain:

- * Copies of grant reports you file with grantors.
- * Treasurer's receipts with related documentation.
- * Copies of the letter and Schedule of Federal Financial Assistance sent to the SA&I.
- * Correspondence or other documents relating to
 - Grant/entitlement awards
 - Cash advances on grants
 - Letter of credit draws
 - Receipt of grantor reimbursement payments
 - Cost reimbursement contracts.