



STATE CONTROLLER'S OFFICE – BULLETIN 06/30/2023

Wisconsin Department of Administration – Division of Executive Budget and Finance

BULLETIN 06-30-2023

Target Audience:

- Agency Financial Managers
- Agency Grant Accountants

2023 Compliance Supplement: (1) Guidance Related to COVID-19 Funding, and (2) Unique Schedule of Expenditures of Federal Awards (SEFA) Reporting Requirements

1. Guidance Related to COVID-19 Funding

Background

On May 22, 2023, the Office of Management and Budget (OMB) released the [2023 Compliance Supplement](#). The Compliance Supplement is an extensive guide used in auditing federal grant programs and can also be a valuable resource for the individuals and entities administering federal grant programs.

Since the onset of the COVID-19 pandemic, the State of Wisconsin has received funding under existing and new federal programs through various COVID-19 related Acts. Similar to the 2020, 2021, and 2022 Compliance Supplements, the 2023 Compliance Supplement provides additional information that state agencies should be aware of when administering their federal grant programs related to COVID-19 Acts. Appendix VII of the 2023 Compliance Supplement outlines specific COVID-19 considerations and we have summarized key items from the appendix below. Agencies are encouraged to review this information (pdf pages 2043-2053) along with any particular portions of the Compliance Supplement that are applicable to the federal programs they administer.

Identification of COVID-19 Related Awards and SEFA Reporting

Congress has made appropriations under several Acts to address the COVID-19 pandemic. Federal agencies may have incorporated COVID-19 funding into an existing program and Assistance Listing number (formerly "CFDA"). Conversely, federal agencies may have established a separate COVID-19 program with a unique Assistance Listing number. Federal agencies are required to specifically identify COVID-19 awards, regardless of whether the funding is provided under a new or existing Assistance Listing number. Appendix VII of the 2023 Compliance Supplement includes a link to a list of COVID-19 related federal assistance programs by Assistance Listing number.



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The State of Wisconsin, as a recipient of federal funding, is required to complete a Schedule of Expenditures of Federal Awards (SEFA). The 2023 Compliance Supplement indicates that non-federal entities, including the State of Wisconsin, should separately identify COVID-19 expenditures on their SEFA. This will require that state agencies separately track and have the ability to identify COVID-19 related expenditures within their federal grant portfolios. When a federal awarding agency has not established a separate/unique Assistance Listing number for COVID-19 funding, agencies are encouraged to use separate chartfields within STAR to distinguish these COVID-19 funds.

2023 State of Wisconsin SEFA Reporting and COVID-19

Similar to prior fiscal years, the SCO Audit Services section will again use the *agency SEFA workbooks* to ease the reporting and compilation process for the statewide SEFA schedule. The updated *agency SEFA workbooks* for fiscal year 2023 will be available towards the end of August at [this](#) location on the DOA website.

State and Local Fiscal Recovery Fund

The State and Local Fiscal Recovery Fund (SLFRF) was created after the signing of the American Rescue Plan Act (ARP) to provide funding directly to state, local, tribal, and territorial governments. A unique Assistance Listing number, 21.027, was established for the SLFRF. Because these are federal funds, all state agencies that expended funding from the SLFRF, usually through transfers from the Department of Administration, will be required to complete an *agency SEFA workbook* for fiscal year 2023.

Responsibility for Informing Subrecipients

When sub-awarding federal funds to a subrecipient, state agencies must separately identify and inform their subrecipients of instances in which COVID-19 funds are being provided. This is in addition to information state agencies should already be providing to their subrecipients, including federal award number, Assistance Listing number, and any other special requirements. This information is needed to allow state agencies to properly monitor subrecipient expenditures of COVID-19 funds, as well as comply with other subrecipient monitoring requirements.



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2. Unique SEFA Reporting Requirements

The Compliance Supplement also provides, for certain federal awards, special instructions or provisions related to how expenditures are to be reported on the SEFA and whether or not a footnote should be included. This additional information is usually found in Part 4 (Agency Program Requirements) of the Compliance Supplement in the *other information* section for the specific federal award.

For example, the Provider Relief Fund (Assistance Listing 93.498) expenditures reported in the SEFA need to be based on reports submitted to the federal government. This information may be different than what is recorded in the STAR general ledger. As another example, the Unemployment Insurance Program (Assistance Listing 17.225) expenditures must include both federal *and state* expenditures in the amount reported on the SEFA. The compliance supplement also indicates that a footnote to the SEFA is encouraged.

As a reminder, agency staff should be reviewing the Compliance Supplement for programs they administer to ensure these unique SEFA reporting requirements are followed. Agency staff can search through the compliance supplement for their specific programs using the *FIND* functionality within the document (Ctrl + F) and searching by the Assistance Listing number.