



Financial Reporting Updates

Accounting Policy Meeting
June 13, 2024

Financial Reporting Section
Fiscal Management Division

Agenda and Presenters



General Revenue Reconciliation Process

Presenter: Shelly Arnold
CPA and special projects analyst

State Pass-Through Reporting (SPTR) Web Application

Presenter: David Haecker
financial reporting supervisor

Schedule of Expenditures of Federal Awards (SEFA) Web Application

Presenter: Irma Toth & Dina Fletcher
financial reporting analysts

Miscellaneous Updates

Presenter: David Haecker
financial reporting supervisor

Questions/Adjournment

Presenters: Financial Reporting & Appropriation Control sections

Being Informed on FMX



Resources

- [FMX](#) —Fiscal Management’s website
 - **What’s New?** on FMX (available on the home page and topic pages). FMX’s ["What's New" Archive](#) tab includes everything that’s been posted to *What’s New?* for the past two years — so you never have to worry about missing something.
 - **FMX Quick Links** flyout menu shortcuts.
- *FMXtra* — Fiscal Management’s weekly *FMXtra* e-newsletter. Sign up or [Manage your FMXtra subscription](#) and stay up-to-date on policies, procedures and other important information from Fiscal Management.
- [Accounting Policy Meetings](#), each including:
 - Registration (to attend meetings via Webex)
 - Agenda
 - Meeting Materials (PDF)
 - Q&A’s (posted a month or so after the meeting, if applicable.)
- [Reporting Requirements for the Annual Financial Reports of State Agencies and Universities \(FPP A.036\)](#)

General Revenue Reconciliation Process



What's Not Changing?

The general revenue (GR) reconciliation process:

- Must tie to the GR reports
- Must return payroll benefits by Oct. 31, 2024 (preferably by Oct. 1, 2024)
- Must transfer unappropriated cash (per statute) to agency 902 before Aug. 31, 2024
- The Calculation I (balance sheet) and the Calculation II (operating statement) must net to \$0

General Revenue Reconciliation Process (Cont.)

What's Changing?



- Initial Year Reconciliation
 - ❖ Three-way reconciliation between the:
 - Prior year **GR201A** report
 - Current year **GR201A** report
 - **General Revenue Reconciliation** web application
 - ❖ Some agencies may need a “restatement” to general ledger (GL) 9000 – Legislative Appropriations
 - ❖ Restatements caused by old appropriation year appropriations (pre-2018) being included in the balance (clean-up underway)
 - ❖ Adjust any “restatements” through revenues
 - Restatements do not carry through to the ***State of Texas Annual Comprehensive Financial Report*** (ACFR)
 - GL 9000 is not an ACFR account

General Revenue Reconciliation Process (Cont.)

What is Changing (Cont.)



➤ Exclusions from GR Reconciliation

- ❖ Benefit Replacement Pay (BRP) — current balances statewide (as of June 3, 2024) = \$1,046,598.90
 - Immaterial to the sum of GL 9000 statewide
 - Tracked each fiscal year by the Appropriation Control and Financial Reporting sections, to verify APPN transfers were made
- ❖ Salary Longevity — occurs infrequently
 - Tracked each fiscal year by the Appropriation Control and Financial Reporting sections, to verify APPN transfers were made
 - Payroll benefit, falls under unappropriated strategy

General Revenue Reconciliation Process (Cont.)

What is Changing (Cont.)

➤ Agency Responsibilities

- ❖ Reconciliation/adjusting entries (for full reporting agencies and institutions of higher education) begins the first week of September and continues through October.
- ❖ Worksheet analysis in Workiva may be requested through the agency's assigned financial reporting analyst
- ❖ Agencies are not required to process reconciliation/adjusting entries



SPTR Web Application



SPTR Resources

- [Instructions for the SPTR Web Application](#)
- [State Pass-Through Reporting \(SPTR\) web application.](#)

Grant Catalog (previously “Grants Master List”)

- Agency users can manually make grant entries to the **Grant Catalog** in SPTR without assistance from the Comptroller’s financial reporting analysts.

The screenshot shows the SPTR web application interface. At the top, there is a green header with the text "State of Texas — Annual Financial Reporting" and "State Pass-Through Reporting (SPTR)". Below the header is a navigation bar with tabs: "Home", "Grant Catalog", "Grant Expenditure", "Grant Revenue", and "Reports". The "Grant Catalog" tab is selected. The main content area is titled "Maintain Grant Catalog" and "Agency 000 – Sample Agency". It includes a "Logout" button, a "Lines Per Page" dropdown set to "100" with a "Reset" button, and "Fiscal Year 2024". Below this, there is a prompt: "Enter data for a new grant catalog entry and press 'Add'". A table with two columns, "Grant Code" and "Grant Description", is shown. At the bottom, there are buttons for "Add", "Refresh Columns", "Upload Grant Catalog", and "Delete all Grant Catalog records for Agency".

To make grant entries manually:

1. Log into SPTR.
2. Select the **Grant Catalog** tab.
3. Complete the **Grant Code** and **Grant Description** fields
4. Select **Add**.

SPTR Web Application (Cont.)

Grant Catalog (Cont.)

- Grant entries can also be entered using the batch entry process.



State of Texas — Annual Financial Reporting
State Pass-Through Reporting
(SPTR)

Select catalog .xlsx file to upload

Upload Grant Catalog File No file chosen

Required catalog XLSX File Layout:

FY	GRANTOR AGY	GRANT CODE	GRANT DESCRIPTION
4 digit fiscal year	3 digit grantor agency number	Grant code	Grant description

NOTE: Row 1 in the spreadsheet must be a header with the columns specified above.

To make grant entries using batch entry:


1. Prepare an excel document (".xlsx" format).
2. Log into SPTR.
3. Select the **Grant Catalog** tab.
4. Select **Upload Grant Catalog**.
5. Select **Choose File**.
6. Route to your prepared excel document (.xlsx format).
7. Select **Open**.
8. In SPTR, select **Upload Selected File**.

SPTR Web Application (Cont.)

Grant Expenditure



- Grantor agencies are required to enter their grant expenditures before grantee agencies can either **Accept** or **Reject** the pass-through amounts in SPTR.
- Grant expenditures can be entered (either manually or with the batch entry process) by uploading excel file(s) (.xlsx format) in SPTR.



State of Texas — Annual Financial Reporting State Pass-Through Reporting (SPTR)

Select expenditure .xlsx file to upload

Upload Grant Expenditure File No file chosen

Required expenditure XLSX File Layout:

FY	GRANTOR AGY	GRANT CODE	GRANTEE AGY	AGENCY GRANT NUMBER	AMOUNT
Four digit fiscal year	3 digit grantor agency number	Grant code	3 digit grantee agency number	Agency grant number (optional)	Pass through dollar amount

NOTE: Row 1 in the spreadsheet must be a header with the columns specified above.

SPTR Web Application (Cont.)

Grant Revenue



- Grantee agencies no longer enter revenues in SPTR. Grantees either **Accept** or **Reject** pass-through amounts entered by grantor agencies.

Note: If a grantee is not in agreement with the grantor regarding the pass-through amount, the grantee rejects the entry.

The screenshot displays the SPTR web application interface. At the top, it says "State of Texas — Annual Financial Reporting" and "State Pass-Through Reporting (SPTR)". Below this is a navigation menu with "Home", "Grant Catalog", "Grant Expenditure", "Grant Revenue", and "Reports". The main content area is titled "Maintain Grant Revenue" and "Agency 000 - Sample Agency". It includes a "Logout" button, "Lines Per Page" set to 100, and "Fiscal Year 2024". A table titled "Sort by Grantor Agy" shows 10 sample grants with columns for Grantor, Grant Catalog, Pass Thru Amount, Agency Grant Number, Status, and Comment. The status column has a dropdown menu set to "Accept All Revenue". The table shows grants with statuses of Accepted, Rejected, and Pending. A summary row at the bottom shows "TOTAL REVENUES" of \$1,500.00, "TOTAL REVENUES PER USAS" of -0.00, and a "DIFFERENCE" of -\$1,500.00.

	Grantor	Grant Catalog	Pass Thru Amount	Agency Grant Number	Status	Comment
edit	###	0001-Sample Grant #1	1,500.00		Accepted	
edit	###	0002-Sample Grant #2	1,500.00		Accepted	
edit	###	0003-Sample Grant #3	1,500.00		Accepted	
edit	###	0004-Sample Grant #4	5,000.00		Accepted	
edit	###	0005-Sample Grant #5	5,000.00		Accepted	
edit	###	0006-Sample Grant #6	5,000.00		Rejected	Amount is incorrect. Change to 5500.
edit	###	0007-Sample Grant #7	10,000.00		Pending	
edit	###	0008-Sample Grant #8	10,000.00		Pending	
edit	###	0009-Sample Grant #9	10,000.00		Pending	
edit	###	0010-Sample Grant #10	2,000.00		Pending	
		TOTAL REVENUES	\$1,500.00			
		TOTAL REVENUES PER USAS	-0.00			
		DIFFERENCE	-\$1,500.00			

SPTR Web Application (Cont.)

Grant Revenue (Cont.)

- For all rejections, the grantee is required to enter a brief **comment** that provides a reason for the rejection.
 1. Select **Edit** on *Maintain Grant Revenue* screen. The Edit Revenue Entry screen displays.
 2. Enter the reason for the rejection in the COMMENT field.

State of Texas — Annual Financial Reporting
State Pass-Through Reporting (SPTR)

Home Grant Catalog Grant Expenditure Grant Revenue Reports

Edit Revenue Entry
UserID
Agency 000 – Sample Agency
Save Cancel
Fiscal Year 2024

Grantor:	###
Grant Catalog:	0006-Sample Grant #6
Amount:	5,000.00
Agency Grant Number:	
Status:	Rejected

Comment:
Amount is incorrect. Change to 5500.

You have [] characters left.

Save Cancel

3. Slect **Save**.
4. Grantees must communicate with the grantor in order to come to a resolution.



SPTR Web Application (Cont.)

SPTR Certification



- There is no longer an ***Initial Certification*** in SPTR.
- The deadline for ***SPTR Certification*** is Sept. 28.
- Enter all grant expenditures SPTR.
- In order for agencies to certify in SPTR:
 - ❖ All grant revenues must have a status of ***Accepted***.
 - ❖ SPTR and USAS must reconcile.
- Agencies that miss the SPTR certification deadline (*and agencies that require a SPTR override due to Intra-System Transfers*) must contact the financial reporting SPTR analyst in order for SPTR to be certified on behalf of the agency.

Contact: Felicia Jones (the new SPTR analyst for fiscal 2024)

Email: felicia.jones@cpa.texas.gov

Phone: (512) 463-0789

SEFA Web Application



Schedule of Expenditures of Federal Awards (SEFA) Web Application

- Agencies must report federal financial assistance expended directly from federal agencies and/or indirectly from pass-through entities.
- On the AFR website:
 - ❖ See [Schedule of Expenditures of Federal Awards \(SEFA\)](#) for detailed reporting requirements for SEFA.
 - ❖ Select [AFR Web Applications](#) in the right-hand toolbox menu to access *Annual Financial Report Web Applications* page, where you can choose to open either the **SEFA Web Application** or the **SEFA Instructions**.
- [SEFA Timeline](#)

Date	Description
Sept. 1	Initial Certification
Sept. 19-27	Interagency Federal Pass-Through Reconciliation
Sept. 28	Pass-Through Certification
Nov. 1	Final Certification

SEFA Web Application (Cont.)

SEFA Required Data

- See [SEFA – Required Data](#) on the AFR website.
- Identify all federal assistance received by the federal grantor agency by the federal program.
- Categorize all federal assistance received as either **Direct** programs or **Pass-Through From** programs.
- Categorize all federal assistance expended as either:
 - ❖ **Expenditures**
 - OR–
 - ❖ **Pass-Through To** expenditures



SEFA Web Application (Cont.)

Full Reporting Agencies

The SEFA full reporting agency (FRA) is responsible for:

- Supporting agencies with SEFA additions, issues and reporting.
- Completing various reports, including agency input to provide variance explanations.
- Submitting all applicable notes and reports to the State Auditor's office (SAO) for audit.
- Updating entries in the SEFA web application regarding any SAO audit adjustments.
- Submitting the final SEFA report to the:
 - ❖ SAO (by Feb. 15).
 - ❖ [Federal Audit Clearinghouse \(FAC\)](#)



SEFA Web Application (Cont.)



Updates to SEFA Notes

- [Notes to SEFA](#) on the AFR website.
- [Office of Federal Financial Management \(Federal Compliance Supplement\)](#) – Issued May 2024 (2 CFR Part 200, Appendix XI).
- [Note 3: Student Loans](#)
- [Note 8: Disaster Grants – Public Assistance \(Presidentially Declared Disasters\) \(ALN 97.036\)](#) includes:
 - ❖ List official FEMA declared disasters
 - ❖ Prior year project expenditures approved by FEMA in current fiscal year.
- Email sefa.texas@cpa.texas.gov to add new FEMA disaster declarations.

SEFA Web Application (Cont.)

Unique Entity ID (UEI) Number



- Before applying for a federal award, each agency must use its UEI number to register to do business with the federal government.
- Agencies may register on [SAM.gov](https://sam.gov) for a new UEI or to update/reactivate an existing UEI. before applying for a federal award. Registration is free.
- Agencies must maintain an active [SAM.gov](https://sam.gov) registration status while the federal award is active.
- If the agency is only reporting as a sub-awardee, complete registration may not be required. See [SAM.gov](https://sam.gov) for instructions on obtaining and registering the agency's UEI number.
- The agency's UEI number does not expire — however, all registered UEI numbers require annual renewal.
- The agency's UEI is required for final SEFA certification and Federal Funding Accountability and Transparency Act (FFATA) reporting.

Note: The **Activity registration** is required if the agency receives direct federal funds. Additionally, this allows the agency to bid on federal awards as a prime awardee.

SEFA Web Application (Cont.)



Non-State Entity

A non-state entity (NSE) is a local government, non-profit organization or a for-profit organization that receives federal (financial) assistance from a state agency or provides federal funding to state agencies.

- NSE's that conduct business with a state agency must have an *Assistance Listing Number (ALN)* listed on the contract or notice of grant award.
- Federal awards expended as a prime recipient or a subrecipient are subject to audit.
- NSE's must have a UEI for FFATA reporting.

Note: The payments received for goods or services provided as a contractor are not considered federal awards and are not reported in SEFA.

For more information, see [Distinguishing between Subrecipients and Contractors \(Vendors\)](#).

SEFA Web Application (Cont.)



Generic Assistance Listing Numbers

Assistance Listing Numbers (ALNs) are the federal grantor agency's 2-digit prefix followed by a period and three zeroes.

- Verify your agency's ALNs are listed in [SAM.gov](https://sam.gov).
- If the federal program number is unknown, contact the federal grantor agency and request the ALN.
- If an ALN is not assigned (or your agency can't obtain it), the agency may use the generic ALN as an alternative option.

Note: Use of generic ALNs may result in an audit finding.

For more information, see the AFR website's [Data Elements](#) page.

SEFA Web Application (Cont.)

Common SEFA Errors



The most common reasons for errors occurring in SEFA:

- Amounts between state agencies do **not** match for:
 - ❖ Pass-through amounts
 - ❖ Special indicators for Research and Development (R&D) and COVID
 - ❖ USAS accruals – the receiving agency determines the accrual amounts

Note: For more information, see the AFR website's [Step 10. SEFA Agency Pass-Through Reconciliation](#).

- Discrepancies between SEFA Notes and Schedule.
- Discrepancies between SEFA web application and USAS.
- Note 2 is not reconciled.
- Reporting service contracts.
- Not reporting expenditures for grant awards state agency classified as service contracts.

SEFA Web Application (Cont.)

Common SEFA Errors (Cont.)

- SEFA certification errors – Notes requiring entry:
 - ❖ [Note 2: Reconciliation](#)
 - ❖ [Note 8: Disaster Grants – Public Assistance \(Presidentially Declared Disasters\) \(ALN 97.036\)](#)
 - ❖ [Note 9: Economic Adjustment Assistance \(ALN 11.307\)](#)
 - ❖ [Note 10: 10% de Minimis Indirect Cost Rate](#)
 - ❖ [Note 11: Donations from Federal Assistance](#)
- SEFA Notes verification:
 - ❖ [Reviewing Verification C – NSE Information and ID Number](#)



SEFA Web Application (Cont.)

Potential State Auditor Findings



The following SEFA items may lead to State Auditor's office audit findings if your agency:

- Reported expenditures in SEFA outside of the current fiscal year.
- Reported incorrect reconciling items in Note 2.
- Has classification of expenditure errors between direct vs. pass-through.
- Has incorrect classification of expenditures between federal programs.
- Has incorrect classification of R&D and COVID funds.

If the State Auditor's office submits a SEFA adjustment to the Comptroller's office, the adjustment will most likely become an audit finding.

SEFA Web Application (Cont.)



Additional Information

- Contact your agency's **security coordinator** to request access to the SEFA web application.
- Email sefa.texas@cpa.texas.gov to:
 - ❖ Report SEFA web application error message
 - ❖ Ask questions regarding SEFA
- The SEFA report allows agencies to run by agency.

SEFA Resources

- AFR website:
 - ❖ [Annual Financial Report Web Applications](#)
 - ❖ [Instructions for the SEFA Web Application](#)
 - ❖ [Definitions](#)
- [SAM.gov](#) — the System for Award Management (SAM)
- [Federal Funding Accountability and Transparency Act](#)
- [Federal Funding Accountability and Transparency Act Subaward Reporting System \(FSRS\)](#)

Updating Agency Contacts



- See FMX's [FM Contacts](#) page.
- Use the [Contact List Update Form](#) to update agency personnel (*located on right-hand side*).
 - ❖ Each agency may update its contacts at any time.
 - ❖ Contacts designated as "Annual Financial Report (AFR)" and/or "Chief Financial Officer" will receive correspondence from the Comptroller's Financial Reporting section for financial reporting matters (*such as GASB Questionnaires or web application certifications*).
- Use the **Contact Fiscal Management** section (*located on upper left-hand area*) to locate Fiscal Management contacts specific to your agency by topic.

Upcoming Meetings



Scheduled Accounting Policy Meetings

- Thursday, **July 18** (10 a.m.–12 p.m. CDT)
- Thursday, **Aug. 15** (10 a.m.–12 p.m. CDT)

Attendees can choose to attend the currently scheduled Accounting Policy meetings one of two ways:

Attend in person at:

- Barbara Jordan Building, Room 2.034
1601 Congress Ave., Austin, TX 78701

Attend online by:

- Registering (via Webex) for each specific meeting date that is listed on FMX's [Accounting Policy Meetings](#) page.

Note: Webex registration for each meeting will be available approximately two weeks prior to the meeting.

Questions?



- For financial reporting questions, contact your agency's assigned [financial reporting](#) contact.
- For appropriation questions, contact your agency's assigned [appropriation control](#) contact.