



SEFA Presentation  
Vendor vs. Subrecipient Classification  
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Susan Warren, KPMG  
512-320-5185  
[smwarren@kpmg.com](mailto:smwarren@kpmg.com)

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## Subrecipient Definition

(per OMB Circular A-133, section 105)

### ■ Definition

- Non federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary of such a program.



## Vendor Definition

(per OMB Circular A-133, section 105)

### ■ Definition

- A dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a Federal program.
- These goods or services may be for an organization's own use or for the use of beneficiaries of the Federal program.



## Subrecipient vs. Vendor Determination

(per OMB Circular A-133, section 210(a))

- Federal awards expended as a recipient or a subrecipient would be included in the schedule of federal awards (SEFA).
- Payments received for goods or services provided as a vendor would not be included in the SEFA.



## What Does This Mean to the Consolidated State of Texas SEFA (Schedule 1A)?

- Federal government views the State of Texas as one entity
- Subrecipient definition –
  - “Non federal entity that expends Federal awards received from a pass-through entity”
  - Refers to two non-federal entities in the definition – Texas and another 3<sup>rd</sup> party



## Schedule 1A (SEFA) Terminology

- Expenditures amount – direct expenses of the respective agency/university
- Non-state entities (NSE) amount –
  - Federal funds provided to 3<sup>rd</sup> parties outside of Texas
  - These are the subrecipients



## Schedule 1A (SEFA) Terminology

- State Agy. or Univ. Amount –
  - Interagency agreements
  - Not subrecipients since Texas is one entity
  - CPA uses for consolidation purposes to balance transactions



## SEFA Logistics

- When the lead agency/university can identify the CFDA number for federal funds passed through to another state entity, that amount should be in the “State Agy. or Univ. Amount” column, not NSE.
- There will be some cases when PCAP allocations are involved that this is not possible and the lead agency will show as direct expenses, treating secondary state agency as a vendor.