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MEMORANDUM

To: GAAP Liaisons and Chief Fiscal Officers

From: Pauline Lieu, Assistant Comptroller / Chief Financial Reporting Officer

Date: July 24, 2023

Subject: Fiscal year 2023 Schedule of Expenditures of Federal Awards (SEFA)
COVID-19 identification classification and Research and Development (R&D)
grants spending

Comptroller Memo FY2023-24

Executive Summary

The SEFA is the basis for the annual Federal Single Audit as required by Subpart F (Audit Requirements) of [Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) (the Uniform Guidance). This memo contains the SEFA instructions to report to CTR the federal COVID-19 and Research grant spending amounts.

COVID-19 programs identification

As a result of the COVID-19 pandemic, many new federal programs have been established and funding has been added to existing federal programs from the following Acts:

- Coronavirus Preparedness and Response Supplemental Appropriations Act
- Families First Coronavirus Response Act
- Coronavirus Aid, Relief, and Economic Security Act (CARES Act)
- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)
- American Rescue Plan Act (ARP)

Funding arising from these sources, both to new and existing programs, is referred to as “COVID-19” funding in the SEFA. To maximize the transparency and accountability of COVID-19 related award expenditures, OMB M-20-26 (June 18, 2020) instructed recipients and subrecipients to separately identify the COVID-19 Emergency Acts expenditures in the SEFA on a separate line by Assistance Listing Number (ALN) with “COVID-19” as a prefix to the program name. The Office of the Comptroller (CTR) utilizes MMARS subfunds - ARPA and

COVID - to identify “COVID-19” spending, except for Assistance Listing 21.027 (Coronavirus State and Local Fiscal Recovery Funds Expenditures). Please see page 8-VII, the “Other Audit Advisories” section in the [2023 Compliance Supplement](#) for detail.

If your department had COVID-19 program spending during FY2023 which is NOT reported under subfund ARPA/COVID, please report to CTR by August 4, 2023, the following spending detail information: the ALN, the appropriation numbers, fund number, and the document ID in MMARS used to expend the fund. Please note that Assistance Listing 21.027 (Coronavirus State and Local Fiscal Recovery Funds) information is not needed this time, since the Executive Office for Administration and Finance (ANF) manages the spending.

Research and Development (R&D)

The federal government sponsors research and development (R&D) activities under a variety of types of awards, most commonly grants, cooperative agreements, and contracts, to achieve the objectives agreed upon between the federal awarding agency and the non-federal entity. The types of R&D conducted under these awards vary widely.

As defined in 2 CFR section 200.1, Research and Development, “research” is a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. “Development” is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes. R&D spending is reported under “R&D Cluster” in the SEFA. Please see page 5-2-1, the “Research and Development programs” section in the [2023 Compliance Supplement](#) for detail.

If your department had R&D grants spending during FY2023, please provide CTR, by August 4, 2023, the SEFA spending detail information with the ALN along with the appropriation numbers, fund number, and document ID in MMARS used to expend the fund.

Should you have questions, please contact me at pauline.lieu@mass.gov, or Nana Law at nana.law@mass.gov.

Thank you.

Cc: MMARS Liaisons
Internal Control Officers
Internal Distribution