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COMPTROLLER

# Commonwealth of Massachusetts

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### MEMORANDUM

**To:** Chief Fiscal Officers and GAAP Liaisons

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

**Date:** July 18, 2025

**Subject:** Fiscal Year 2025 (as of June 30, 2025) Schedule of Expenditures of Federal Awards (SEFA) - COVID-19 identification classification; Research and development (R&D) grants spending; Subaward spending; and non-cash federal assistance.

Comptroller Memo FY2025-25

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The Schedule of Expenditures of Federal Awards (SEFA) is the basis for the annual 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).

The following departments / agencies are excluded from these FY2025 SEFA special requests:

- Massachusetts Bay Transportation Authority (MBTA)
- Massachusetts School Building Authority (SBA)
- Teachers Retirement Board (TRB)
- University of Massachusetts (UMS)
- The Massachusetts School Building Authority (MSCBA)
- State Universities (Bridgewater State University (BSC), Framingham State University (FRC), Fitchburg State University (FSC), Massachusetts College of Art and Design (MCA), Massachusetts Maritime Academy (MMA), Massachusetts College of Liberal Arts (NAC), Salem State University (SSA), Worcester State University (WOR), and Westfield State University (WSC))
- State Colleges (Berkshire Community College (BCC), Bunker Hill Community College (BHC), Bristol Community College (BRC), Cape Cod Community College (CCC), Greenfield Community College (GCC); Holyoke Community College (HCC), Massasoit Community College (MAS), Mass Bay Community College (MBC), Middlesex Community College (MCC), Mount Wachusett Community College (MWC), Northern Essex Community College (NEC), North Shore

Community College (NSC), Quinsigamond Community College (QCC), Roxbury Community College (RCC), and Springfield Technical Community College (STC)

**1. COVID-19 programs identification - due date Monday, August, 18, 2025**

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 (ARPA)

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, [the Office of Management and Budget memoranda M-20-26](#) (June 18, 2020) instructed recipients and subrecipients to separately identify the COVID-19 Emergency Acts expenditures on 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 the “COVID-19” spending, except for Assistance Listing 21.027 (Coronavirus State and Local Fiscal Recovery Funds Expenditures). Please see “Other Audit Advisories” Appendix VII of Part 8 in the [2024 Compliance Supplement\\*](#), for detail.

\*The 2025 Compliance Supplement has not been published as of the date of this memo. If the 2025 Compliance Supplement requires additional information from your department, CTR will reach out as soon as possible.

Please note that the Executive Office of Administration and Finance manages [the Assistance Listing # 21.027 \(Coronavirus State and Local Fiscal Recovery Funds\)](#) spending information.

**REQUEST:** If your department has COVID-19 program spending (excluding ALN # 21.027) that was **NOT** reported under subfund ARPA/COVID during FY 2025, please report the following spending detail information to CTR by the due date noted above: the ALN, the appropriation number(s), fund number(s), document ID and other necessary information to locate the spending in MMARS.

**2. Research and Development (R&D) - due date Monday, August, 18, 2025**

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 SEFA. Please see “Research and Development Programs” of Part 5, page 5-2-1 in the [2024 Compliance Supplement](#)\* for detail.

**REQUEST:** If your department had R&D grants spending during FY2025, please provide the following information to CTR by the due date noted above for the SEFA spending: detailed information including the ALN, along with the appropriation number(s), fund number(s), document ID, object code and other necessary information to locate the spending in MMARS.

### **3. Subaward - due date Monday, August, 18, 2025**

Subaward means a federal award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of the federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

**REQUEST:** If your department received a subaward from a non-federal/non-state agency (such as hospitals, nonprofit organizations, universities, etc.) as a subrecipient to spend during FY2025, please provide CTR the SEFA spending detail information including the ALN and pass-through entity identifying number, along with the appropriation number(s), fund number(s), document ID, object code and any other necessary information to locate in MMARS by the due date noted above.

### **4. Non-cash federal assistance - due date Monday, August, 18, 2025**

Federal non-cash assistance, such as free rent, food commodities, donated property, or donated surplus property, must be valued at fair market value at the time of receipt or the assessed value provided by the federal agency.

**REQUEST:** If your department received non-cash federal assistance NOT reported in MMARS in FY2025, please provide CTR the value of the non-cash federal assistance along with the ALN by the due date noted above.

Should you have questions please contact me at [pauline.lieu@mass.gov](mailto:pauline.lieu@mass.gov), or Nana Law at [nana.law@mass.gov](mailto:nana.law@mass.gov). Thank you.