

BARS Alert – April 15, 2026

Revision to BARS 4.14.5 Expenditures of Federal Awards (SEFA/Schedule 16)



Office of the
Washington
State Auditor
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This Alert may apply to Cash basis entities that report a fixed amount award on the SEFA/Schedule 16.

This Alert may apply to governments who elected to use de minimis cost rates.

On April 15, 2026, the [GAAP](#) and [Cash](#) BARS manuals, section 4.14.5 was updated to reflect the following:

Cash BARS Guidance:

Original paragraph 4.14.5.60

Fixed amount awards are a type of grant or cooperative agreement pursuant to which the Federal agency or pass-through entity provides a specific amount of funding without regard to actual costs incurred under the Federal award. For example, a fixed amount is paid for a specified deliverable met or milestone achieved. This type of Federal award reduces some of the administrative burden and record keeping requirements for both the recipient or subrecipient and the Federal agency or pass-through entity. Accountability is based primarily on performance and results. With fixed amount awards, the amount reported on the SEFA is the amount that was earned (amount to be paid per the terms and conditions) in the period it was earned, for example the deliverable was met or the milestone achieved.

Updated paragraph 4.14.5.60

Fixed amount awards are a type of grant or cooperative agreement pursuant to which the Federal agency or pass-through entity provides a specific amount of funding without regard to actual costs incurred under the Federal award. For example, a fixed amount is paid for a specified deliverable met or milestone achieved. This type of Federal award reduces some of the administrative burden and record keeping requirements for both the recipient or subrecipient and the Federal agency or pass-through entity. Accountability is based primarily on performance and results. With fixed amount awards, the amount reported on the SEFA is the amount that was earned (amount to be paid per the terms and conditions) in the period it was earned, for example the deliverable was met or the milestone achieved.

Cash basis entities would report in the period the payment was received.

Both GAAP and Cash BARS Guidance:

Original paragraph 4.14.5.200 Required Note 2

REQUIRED NOTE 2 (per 2 CFR §200.510(b)(6)) – the notes must disclose whether the auditee elected to use the 10% de minimis cost rate as covered in 2 CFR §200.414 Indirect (F&A) costs. If the de minimis rate was not elected, it is optional to include the indirect cost rates used (see example below).

Updated paragraph 4.14.5.200 Required Note 2

REQUIRED NOTE 2 (per 2 CFR §200.510(b)(6)) – the notes must disclose whether the auditee elected to use the 10% de minimis cost rate as covered in 2 CFR §200.414 Indirect (F&A) costs. If the de minimis rate was not elected, it is optional to include the indirect cost rates used (see example below). **Note, the de minimis cost rate increase to 15% with the 2024 revisions to the Uniform Guidance. It is effective for new federal awards issued by a federal agency on or after 10/1/2024.**

For questions related to this alert, BARS coding, accounting or reporting please use the [SAO Helpdesk](#).