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## Accounting for COVID Grants

- Memorandums Issued – see SBOA homepage [www.in.gov/sboa](http://www.in.gov/sboa)
  - Financial Reporting and Reimbursement for CARES Funds (8-27-20)
  - State Examiner Directive 2020-3 (October 22, 2020)
  - COVID Grant Accounting and Appropriations (4-29-20 updated 9-29-20)

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## Accounting for COVID Grants

- Assistance provided as a result of a national or state disaster or emergency should be receipted into a separate fund.
  - *SBOA will not take audit exception to establishing such a fund(s) without the adoption of a resolution.*
  - *A separate fund should be established for each separately identified assistance provided.*
- Fund Number Range: 276-299
- **Grants administered through the Indiana Finance Authority have specific prescribed accounting procedures (see Directive 2020-3).**

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## Accounting for COVID Grants

- All related expenditure records (accounts payable vouchers, minutes, correspondence, contracts, etc.) must be maintained in a separate file for future audits required by Federal and State agencies of COVID funds.
- For each grant, it is important that you track every dollar disbursed for COVID-related expenses and maintain supporting documentation for those expenses.

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## Accounting for COVID Grants

It is important to remember that sufficient internal controls over all transactions must be in place.

Separate funds, maintaining records, detailed comments that provide audit trails, appropriate approvals, etc., are all part of good internal controls.

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## State Examiner Directive 2020-3

- Coronavirus Relief Fund administered by Indiana Finance Authority (IFA)
  - includes pass-through grants from county/municipality administered through IFA
- Prescribed Accounting Procedures to account for
  - Public Health and Safety Payroll Costs – *Not applicable to libraries*
  - Permitted Costs other than Public Health and Safety Payroll Costs

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## State Examiner Directive

A separate CARES grant fund must be established.

The directive provides authority to create each separate grant fund

- *a resolution is not required by SBOA*

Use a fund number between 276-299

**All money** received from the Coronavirus Relief Fund must be deposited in a separate CARES grant fund.

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## State Examiner Directive

- Public Health and Safety Payroll Costs

- Two Options – *NA to Libraries*

- Other Permitted Costs

- Three Frameworks



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## State Examiner Directive Permitted Costs (other than Public Health and Safety Payroll Costs) Framework 1

### Framework 1: Costs originally incurred in another fund

- ✓ Receipt Reimbursement from IFA into separate CARES grant fund
- ✓ Move Reimbursed Expense from original fund to separate CARES grant fund
- ✓ CARES grant fund balance should be zero.
- ✓ No money shall remain in the separate CARES grant fund for expenditure

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## State Examiner Directive Permitted Costs (not Public Health and Safety Payroll Costs) Framework 1 Example

*A library purchases equipment to hold virtual public meetings in the amount of \$5,000.*

*The original expense is paid out of the operating fund.*

*The library submits a reimbursement request to the county/municipality and receives \$5,000.*

*The reimbursement is receipted into the separate CARES grant fund, which will then show a balance of \$5,000.*

*In order to tie the expense to the separate CARES grant fund, the library reverses the \$5,000 expense in the operating fund, which reinstates the expense appropriation line item and the cash balance of the operating fund.*

*The library then posts the \$5,000 disbursement to the separate CARES grant fund with a link to the original claim and supporting documentation, bringing the balance of the separate CARES grant fund to zero.*

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State Examiner Directive  
Permitted Costs (other than Public Health and Safety Payroll Costs)  
**Framework 2**

**Framework 2: IFA provides reimbursement on unpaid invoices/POs through the county/municipality**

- ✓ Receipt money from IFA into separate CARES grant fund
- ✓ Pay Vendors from separate CARES grant fund
  - Only costs which were included in the request to the county/municipality and directly tied to the amount provided by the county/municipality may be paid.
  - Any difference between the amount paid to the vendor and the amount provided by county/municipality *must* be returned to county/municipality.
- ✓ CARES grant fund balance should be zero.
- ✓ No money shall remain in the separate CARES grant fund for expenditure

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State Examiner Directive  
Permitted Costs (not Public Health and Safety Payroll Costs)  
**Framework 2 Example**

*A library orders emergency equipment for \$10,000 and submits the reimbursement request to the county/municipality before the payment is made for the equipment.*

*The county/municipality reimburses the \$10,000 and the unit receipts the \$10,000 into the separate CARES grant fund, which will now have a \$10,000 balance.*

*The library decides to purchase less equipment and makes payment to the vendor for \$8,000, leaving a balance of \$2,000 in the separate CARES grant fund.*

*The \$2,000 must be returned to the county/municipality bringing the balance to zero.*

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State Examiner Directive  
Permitted Costs (other than Public Health and Safety Payroll Costs)  
Framework 3

Framework 3: Costs paid from separate CARES fund in anticipation of reimbursement

- ✓ Receipt money from IFA into separate CARES grant fund
- ✓ CARES grant fund balance should be zero.
- ✓ Going Forward, follow Framework 1 and do not pay costs out of the separate CARES fund in anticipation of reimbursement
- ✓ No money shall remain in the separate CARES grant fund for expenditure

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State Examiner Directive  
Permitted Costs (other than Public Health and Safety Payroll Costs)  
Framework 3 (continued)

*What if my negative balance in the CARES fund is not fully reimbursed?*

- ✓ Reverse entry in CARES fund for unreimbursed costs
- ✓ Post expenditure to the general fund or other appropriate fund within an appropriated line item
- ✓ CARES grant fund balance should be zero.
- ✓ No money shall remain in the separate CARES grant fund for expenditure

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## State Examiner Directive

### Permitted Costs (not Public Health and Safety Payroll Costs)

### Framework 3 Example One

- A library purchases \$5,000 of PPE and posts the expense directly to the separate CARES grant fund, incurring a negative balance of \$5,000.
- The library submits a reimbursement request to the county/municipality for \$5,000, but only receives reimbursement of \$4,500.
- The library receipts the \$4,500 into the separate CARES grant fund, which leaves a negative balance of \$500.
- The library reverses the expense entry for the unreimbursed amount and posts the expense to the operating fund, bringing the balance in the separate CARES grant fund to zero.

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## State Examiner Directive

### Permitted Costs (other than Public Health and Safety Payroll Costs)

### Framework 3 Additional Example

Since April, a library has been accounting for purchases and reimbursements purchases directly to the CARES grant fund, which currently has a negative balance of \$15,000.

- When the \$15,000 is reimbursed from the county/municipality, the money should be receipted into the CARES fund, bring the fund balance to zero. (If less than \$15,000 is reimbursed, then see Framework 3 Example One.)

**As of October 23, no further expenditures should be posted directly to the CARES fund.**

- Starting October 23 eligible costs must be disbursed from an appropriated line item in the operating fund or other proper fund.
- When reimbursement is received, then follow Framework 1.
- Once these steps are completed, the balance of the separate CARES grant fund will be zero.
- No money shall remain in the separate CARES grant fund.

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## Accounting Procedures for Other Grants (*not administered through IFA*)

- Grants not passed through county/municipality from IFA
- Follow April 29, 2020 (updated September 29, 2020) memorandum
- Receipt into a separate fund (range 276-299)
- COVID should be part of the naming title

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## Accounting Procedures for Other Grants (*not administered through IFA*)

In some cases, disbursements made prior to receiving a COVID grant can qualify as an allowable cost from a COVID grant.

➤ **In order to track these disbursements properly, allowable disbursements should be moved from the original fund to the applicable COVID grant fund much like a correction of error is recorded.**

All other allowable disbursements should be disbursed directly from the appropriate COVID related grant fund

➤ **only applies to grants other than those passed through from IFA**

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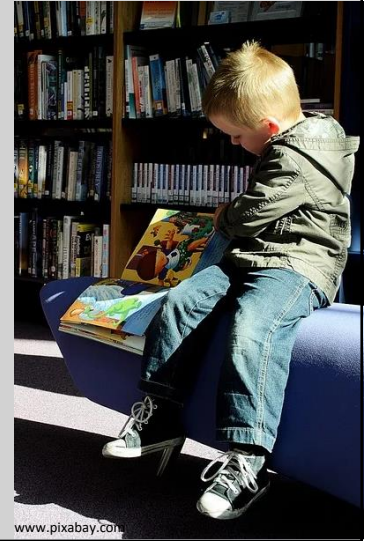
## CARES Act Grants for Libraries

Indiana State Library

➤ received from the Institute for Museum and Library Services

Indiana Humanities Council

➤ received from the national Endowment for the Humanities



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## COVID Grants – Names & Numbers

Coronavirus Relief Fund

CFDA 21.019

Promotion of the Humanities

CFDA 45.129

National Leadership Grants

CFDA 45.312



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www.monroeccc.edu/caresact

www.beta.sam.gov

21.019	Coronavirus Relief Fund	Health and Human Services
45.129	Promotion of the Humanities Federal/State Partnership	National Endowment for the Humanities
45.312	National Leadership Grants	Institute of Museum and Library Services

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## COVID Grants – Names & Numbers



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Home page looks like this

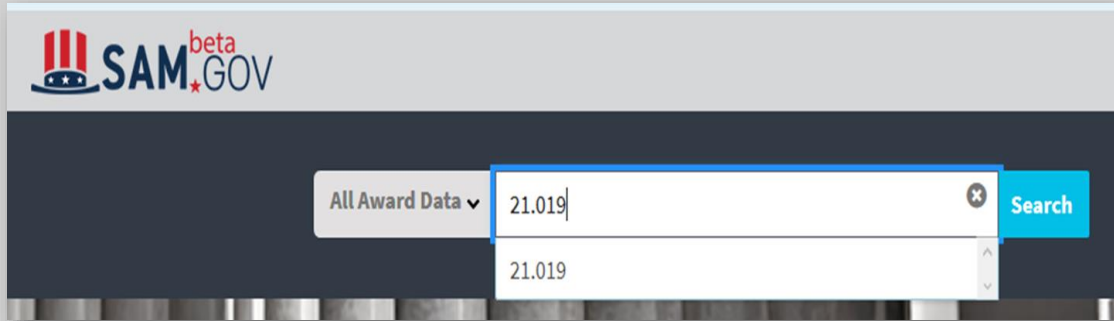
Search

- Grant Name or
- Grant Number

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## COVID Grants – Names & Numbers



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## COVID Grants – Names & Numbers



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# COVID Grants – AFR Reporting & SEFA

## Grants ?

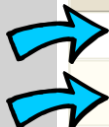
Save All Work

Return to AFR Main Menu

Complete the Grant Schedule for grants you received or disbursed money from during the year.

Make sure to press the ENTER key on the keyboard after entering a number to make sure it is saved!

Add Row



Delete	Local Project Name/Description	Federal Program Title/Project Name	Federal Agency	Pass Through Agency	CFDA Number (##.###)	Award Name	Award Number	Grant Type
	CARES Grant Fund	Coronavirus Relief Fund	Health and Human Services	Town of Gordonville	21.019		CY 2020	Reimbursement
	Natl Leadership Grant	Natl Leadership Grant	Institute of Museum & Library Services	Indiana Humanities	45.312		CY 2020	Reimbursement

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Questions????

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# Contact Information

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