



CARES Funding Accounting

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Overview

Today's session will address

- Accounting for the initial advance of CARES Funding
- Accounting for reclassifying eligible expenditures to a special revenue fund
- Accounting for establishing a receivable for CARES Funding provided on a reimbursement basis

Accounting Guidance



Key Considerations



Timing

- When must eligible expenditures be incurred

Nature of funds

- Restricted to certain kinds of expenditures

Accountability

- Due to nature of funding, likely to have heightened interest

Budget Amendment

- Resolution or ordinance to increase revenues and expenditures at the legal level of control (OCGA 36-81-3)

CARES Accounting



Fund 220 Grant Fund

- Fund's expenditures $>$ 2% of general fund operating budgeted expenditures (use is required)
 - UCOA does not prohibit use if the fund's expenditures are less than 2%

Fund 250 Multiple Grant Fund

- Funds $<$ 2% general fund operating budget

UCOA page 41

CARES Accounting



33 Intergovernmental Revenues

- 33.1100 Operating Categorical

Use directed towards specific objectives, specific conditions

UCOA page 70

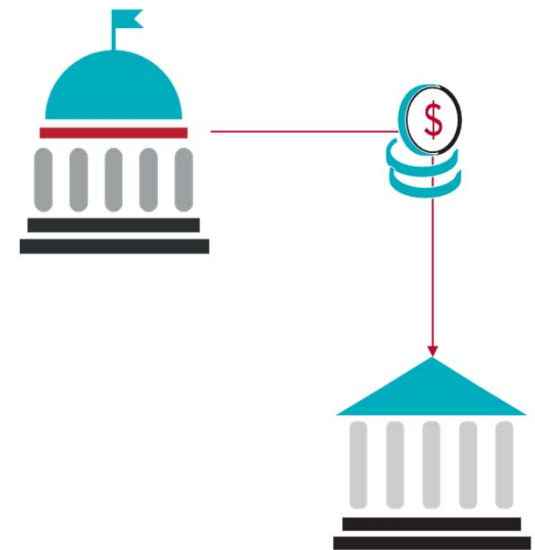


CARES Accounting



33 Intergovernmental Revenues

- 33.1100 Operating Non-Categorical Grants
 - Direct – transfers or payments received directly by local government from federal government (33.1110)
 - Indirect – transfers or payments passed through another agency (33.1150)



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Initial Advance of Funds

Special Revenue Fund

Posting Date – date cash received

Account	Title	Debit	Credit
220.0000.11.1110	Cash in Bank	\$20,000	
220.0000.12.2500	Unearned Revenue		\$20,000

Note – the actual cash account will depend on your local chart of accounts

Eligible Expenditures Identified

Special Revenue Fund

Amount recognized as revenue will be equal to eligible expenditures

Example, \$20,000 of eligible expenditures are identified and uploaded to the Grants Portal equal to the amount of the advance

Posting Date – date uploaded documentation to grant portal

Account	Title	Debit	Credit
220.0000.12.2500	Unearned Revenue	\$20,000	
220.0000.33.1150	Indirect Grant Revenue		\$20,000

Note – Assumes entry is for local government which received funding through State of Georgia

Terms and Conditions – 6.2

Interest Bearing Accounts

Must record any and all interest accrued on grant funds and report the interest to Governor’s Office of Planning and Budget

Must provide documentation that interest was used for allowable costs or remit unused interest to OPB by 9/1/20

Posting Date – date interest posted to cash account

Account	Title	Debit	Credit
220.0000.11.1110	Cash	\$200	
220.0000.36.1400	Other Interest Revenue		\$200

Accounting for Reimbursements

Record a receivable from the state and associated revenue for the amount of unreimbursed eligible expenditures

Example - \$40,000 in specific eligible expenditures were identified as qualifying for CARES funding

Posting Date – date you identify eligible expenditures

Account	Title	Debit	Credit
220.0000.11.2700	Intergovernmental Receivable	\$40,000	
220.0000.33.1150	Indirect Grant Revenue		\$40,000

Accounting for Reimbursements

Example - the local government receives \$40,000 in reimbursed funds

Posting Date – date cash is received

Account	Title	Debit	Credit
220.0000.11.1110	Cash in Bank	\$40,000	
220.0000.11.2700	Intergovernmental Receivable		\$40,000



Reclassification of Expenditures

Eligible expenditures may have been originally posted to the General Fund

If you choose to use the grant fund, eligible expenditures should be reclassified to the grant fund

Supporting documentation should support the reclassifying entry

Expenditures would be credited in the General Fund and debited in the special revenue fund. This will involve movement of cash if expenditures were already paid in the General Fund.



Sample Entry – Personal Services

Posting Date – date eligible expenditures were identified

Account	Title	Debit	Credit
100.0000.11.3200	Interfund Receivable – Grant Fund	\$19,980	
100.3280.51.1100	Personal Services – Regular Employees		\$19,980

Account	Title	Debit	Credit
220.3280.51.1100	Personal Services – Regular Employees	\$19,980	
220.0000.12.2100	Interfund Payable – General Fund		\$19,980

Sample Entry – Personal Services

Posting Date – date cash is received

Account	Title	Debit	Credit
100.0000.11.1110	Cash in Bank	\$19,980	
100.0000.11.3200	Interfund Receivable – Grant Fund		\$19,980
Account	Title	Debit	Credit
220.0000.12.2100	Interfund Payable – General Fund	\$19,980	
220.0000.11.1110	Cash in Bank		\$19,980

General Fund Accounting



Eligible expenditures will typically have been originally posted to the General Fund

If you choose to leave the expenditures in this fund and post the CARES Funding revenue in the General Fund, be certain that you can separately identify the CARES Funding expenditures

Consider using a project code or using a separate object code such as 51.1199 when reclassifying expenditures

Capital Outlay



Any purchases that qualify for capitalization must be reported using uniform chart account numbers 54.1000 – 54.3000

Capital assets require additional tracking

Georgia Terms and Conditions

Section 3.1 Property Management and Inventory

2 CFR 200.33 Equipment – lesser of \$5,000 or non-federal entity capitalization level

2 CFR 200.310 through 200.316 and 200.329

- Provide insurance coverage
- Use property and equipment for federal purpose
- Maintain property records including affixing tags or labels (See section 3.1.2 of Georgia Terms and Conditions)
- Inventory at least every two years
- Safeguard property against loss, damage or theft
- Maintain equipment
- Property records should indicate federal share of purchase cost

Audited Financial Statements



Fiscal years for Georgia local governments vary



Recommend you consult with your financial statement auditor regarding required entries to reflect the CARES funding in the proper fiscal year



Governments with a fiscal year end of June 30 should consider accounting guidance to ensure the financial statements properly report transactions

Resources



Resources

<https://opb.georgia.gov/CARESact>

- GeorgiaCARES Portal Training
- GeorgiaCARES Local Government Training
- Federal guidance

www.ecfr.gov Title 2, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

<https://www.dca.ga.gov/local-government-assistance/research-surveys/uniform-chart-accounts-ucoa> Uniform Chart of Accounts for Local Governments in Georgia

Support

Georgia Office of Planning and Budget CARES@opb.Georgia.gov

State Accounting Office compliance@sao.ga.gov



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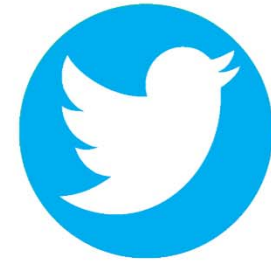
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