

INFORMATIONAL CIRCULAR NO. 21-A-003
DATE: August 12, 2020
SUBJECT: Final FY20 Coronavirus Relief Fund Transfers and Journals
EFFECTIVE DATE: August 12, 2020
CONTACT: Sunni Zentner (785) 296-7058 Sunni.Zentner@ks.gov
APPROVAL: Jocelyn Gunter (original signatures on file)
SUMMARY: **Agencies must process journals to record use of Coronavirus Relief Fund by August 18, 2020.**

NOTIFICATION OF REIMBURSEMENT:

On August 3, 2020, the Strengthening People and Revitalizing Kansas (SPARK) Taskforce and Governor's Office of Recovery approved a recommendation for state agencies to receive distributions from the Coronavirus Relief Fund for the operational COVID-19 costs incurred in FY20. On August 10, 2020 the State Finance Council (SFC) approved the SPARK recommendations for reimbursement. A full list of agencies and amounts is provided as Attachment A, summarized by the following categories of reimbursed expenses:

- 1) **Non-Personnel COVID-19 coded expenses** between 3/1/20 and 6/30/20 that were not included in the first round of reimbursement disbursements from CRF and were not charged to other federal funds.
- 2) **Agency requests for FY 2020 operational transactions that did not get properly coded as COVID-19 related in SMART.**

REVIEW & CERTIFICATION OF COMPLIANCE:

A general ledger journal was processed on August 11, 2020 to transfer the total approved reimbursement amount to the agency's Coronavirus Relief Fund. On August 12, 2020 the SMART Team will send a list of expenditures, summarized by funding source, to each agency through a ManageEngine Service Desk ticket. Your agency must review all lines to ensure the amount represents expenditures [qualifying for reimbursement](#) based on the federal guidelines in the CARES Act. *See* 42 U.S.C. § 801(d).

Upon further review by your agency, if all or part of the amounts on the list **do not** meet the requirements for reimbursement, the amount must be left out of the general ledger journal so that the expense amount is not transferred to the Coronavirus Relief Fund (CRF). Then, contact your Division of Budget analyst to request for the amount to be returned to the Governor's Office. Amounts to be returned will be transferred back to the Governor's Office CRF by the Office of Accounts and Reports, SMART Team.

PROCESSING INSTRUCTIONS:

Executive Directive 20-517 was implemented to create a CRF for use by each state agency for both FY 2020 and FY 2021.

Immediate action is necessary for each agency to process a general ledger (GL) journal to reflect the expenditures, less any amounts to be returned, in the CRF by August 18, 2020.

To ensure expenditures are not duplicated in both FY 2020 and FY 2021, the instructions outlined in Attachment B must be followed.

Federal reporting requirements for CARES Act funds were released on July 31, 2020 and included categories that must be used to report expenditures. To facilitate the federal reporting, values have been added to ChartField 2 in SMART so that each agency can assign the appropriate value corresponding to the correct federal category. Each GL journal processed to record expenditures to the CRF must include the appropriate ChartField 2 value on every expenditure row for Fund 3753. The rows can be split as needed to correctly report the federal category. The ChartField 2 federal reporting values are shown below:

ChartField 2	Description
CRFADMIN	Administrative Expenses
CRFPERS	Budgeted Personnel and Services Diverted to a Substantially Different Use
CRFTSTT	COVID-19 Testing and Contact Tracing
CRFECON	Economic Support (other than Small Business, Housing, and Food Assistance)
CRFETAN	Expenses Associated with the Issuance of Tax Anticipation Notes
CRFDSLNL	Facilitating Distance Learning
CRFFOOD	Food Programs
CRFHOUSS	Housing Support
CRFTELE	Improve Telework Capabilities of Public Employees
CRFMEDE	Medical Expenses
CRFNURS	Nursing Home Assistance
CRFPHSE	Payroll for Public Health and Safety Employees
CRFPPEEQ	Personal Protective Equipment
CRFPHEX	Public Health Expenses
CRFSBAS	Small Business Assistance
CRFUEMB	Unemployment Benefits
CRFWCMP	Workers' Compensation
CRFOTHR	Items Not Listed Above

Questions about which category should be used for a specific expenditure should be directed to the Recovery Office contact listed below.

IMPACT ON FY21 SPENDING AUTHORITY:

Any COVID expenditures that were funded from the State General Fund and that are approved for CRF reimbursement will be proposed to be lapsed during the upcoming 2021 Legislative Session in the Governor’s revised budget. During the Division of the Budget review of your agency’s revised FY 2021 budget request, a recommendation will include the lapse of any of the

State General Fund moneys that are reimbursed. You should not consider this reimbursement as additional spending authority in FY 2021. If a subsequent allotment by the Governor occurs in FY 2021 prior to the 2021 Legislature's return, these funds would be lapsed at that time. The goal of this lapse exercise is to reduce the magnitude of future budget cuts if the state's fiscal situation does not improve.

IMPACT ON REPORTING TO DIVISION OF BUDGET:

With regards of showing these transactions in IBARS for the September 15, 2020, budget submission, the Division of the Budget will send out a separate communication to all agencies when IBARS opens on or around August 14, 2020.

FEDERAL REPORTING:

Your agency should be aware that receipt of these funds may require additional internal controls to comply with federal requirements. This includes compliance requirements that are established by [Uniform Guidance](#) (specifically reference Subpart F, section 200.501 for Audit Requirement thresholds). Please make sure you are familiar with the [documents required](#) to be submitted for FY 2020 to the Office of Accounts and Reports related to the expenditure of federal funds.

While you should have all other information on your DA-89 complete and ready to go, we will extend the final deadline for the DA-89 from August 14, 2020 to August 21, 2020, to ensure CFDA 21.019 (fund 3753) accurately reflects all receipts of CRF funds, net of any returns based on your final review and compliance certification, due August 21, 2020.

If you have already submitted a certification and/or DA-89, an updated one may need to be submitted based on any changes with reimbursement amounts. If submitting an updated DA-89 or certification form, please put "revised" in the subject line of your email.

OTHER CRF AWARDS:

While COVID-19 personnel costs and admin leave expenses, for FY20, were not approved for reimbursement at this time, these expenses will remain in the pool of eligible expenses to be considered for future use of CRF funds. For further explanation of FY20 reimbursements and information regarding the request of additional CRF funds for FY21, please see the attached memo from Secretary of Administration, DeAngela Burns-Wallace.

If there are additional questions or concerns, you may submit a ManageEngine Service Desk ticket, or you may contact the following individuals:

Sunni Zentner	Manager, Statewide Accounting	Sunni.Zentner@ks.gov
Nancy Ruoff	Manager, Statewide Payroll	Nancy.Ruoff@ks.gov
Jill Martin	Team Lead, Federal Reporting	Jill.Martin@ks.gov
Jeff Arpin	Principal Analyst, Division of Budget	Jeff.Arpin@ks.gov
Taylor Hawkins	Recovery Office	Taylor.Hawkins@ks.gov

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