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COVID-19 REVENUE and GRANTS

Effective: April 1, 2020

Last Updated: April 1, 2020

Executive Summary

This memo sets forth the Office of the Comptroller (CTR) accounting policy for COVID-19 related revenue and grants. COVID-19 related revenue and grant transactions will post to a separate MMARS sub-fund. The sub-fund will have the code: **COVID**. This policy is effective immediately and applies to all COVID-19 related revenue and grants. CTR is implementing this policy in anticipation of state and federal reporting requirements relative to COVID-19 related expanded revenue.

As described in more detail below, departments will continue to follow the current grant set up process for new COVID-19 related grants, but they must include the code **COVID** in the subject line of COVID-19 related email correspondence with CTR and ANF. In addition, CTR plans to segregate COVID-19 related increases to existing grants in the COVID sub-fund. Departments that receive a COVID-19 related award increase to an existing grant should request a new appropriation from ANF for the COVID-19 related award and create a Major Program and Program for the COVID-19 related portion of the award.

This policy is in addition to CTR's COVID-19 related Payment Coding policy, dated March 27, 2020, which remains effective for all payments regardless of funding source.

Legal Authority

This policy applies to all Commonwealth branches and departments. The Comptroller has broad authority to prescribe accounting rules and instructions for all state departments regarding the appropriate use of the state accounting system. Pursuant to [M.G.L. c. 7A, § 7](#), [M.G.L. c. 7A, § 8](#), [M.G.L. c. 7A, § 9](#) and [M.G.L. c. 29, § 31](#), the Comptroller is required to implement a state accounting system (including a centralized payroll system) and issue instructions for the accounting practices to be used by all departments for supplies, materials, assets, liabilities, equity, debt, encumbrances, expenditures, revenues, expenses and obligations of all Commonwealth funds and accounts, including payroll, unless specifically exempted by general or special law.

The Comptroller has authority to prescribe, regulate and make changes in the method of keeping and rendering accounts and may direct state departments to implement changes in their systems to meet these statewide standards.

Unless otherwise specified in written directives or authorized by CTR, all current state finance law requirements, CTR policies, procedures, fiscal year memos, job aids, contract forms, and materials shall continue to apply.

Policy

To facilitate COVID-19 related reporting, CTR will track all COVID-19 related revenue in a newly created MMARS sub-fund with the code COVID. This policy applies to Federal Financial Participation (FFP), other federal cost share revenue, reimbursable federal grants and any other COVID-19 related revenue. All email communication with CTR and ANF relative to COVID-19 related revenue or grants must include **COVID** in the subject line.

FFP and Other Federal Cost Share Revenue

Expanded FFP and other federal cost share revenue attributable to COVID-19 must be posted to the new COVID sub-fund. CTR will create secondary revenue budgets using the COVID sub-fund to mirror existing revenue budgets for the purpose of capturing COVID-19 related expanded FFP or other federal cost share revenue. For example, the federal reimbursement for Medicaid Title XIX is currently posted to Fund 0010; Sub-fund 0000; department EHS; revenue source 5202. COVID-19 related expanded Medicaid will be posted to Fund 0010; Sub-fund COVID; department EHS; revenue source 5202. The following BQ82 screen print displays the normal and the mirror 5202 revenue accounts:

	BFY	Fund	Sub Fund	Department	Revenue Source	Name
	2020	0010	0000	EHS	5202	2020-0010-0000-EHS-5202
✓	2020	0010	COVID	EHS	5202	2020-0010-COVID-EHS-5202

Department responsibility: Departments are responsible for notifying CTR as soon as they are aware that they will be receiving COVID-19 related FFP or other federal cost share revenue. CTR will create the mirror revenue budgets in the COVID sub-fund to capture this activity. Departments are responsible for ensuring that receipts are credited to the correct revenue accounts.

Please email notifications and questions to kristinm.lacroix@mass.gov and sara.qudah@mass.gov.

Reimbursable Federal Grants (central and non-central draw)

1. New COVID-19 related reimbursable grants

The grant set up process that departments currently follow does not change. CTR and ANF will establish the accounting elements (revenue budget; linked appropriation; underlying tables) with reference to the COVID MMARS sub-fund. When departments view the appropriation (BQ89) and linked revenue (BQ82) pages in MMARS, they will notice that the appropriation and revenue accounts for these grants reference Fund 0100; Sub-fund COVID. Please note that CTR is not creating a central coding structure for COVID-19 related Major Program and Program Codes; departments may choose the Major Program and Program codes that suit their tracking and reporting needs.

Department responsibility: Departments should continue to follow the current grant set up process, but they must include the code **COVID** in the subject line of COVID-19 related email correspondence with CTR and ANF. Departments remain responsible for coding all COVID-19 related payments regardless of funding source in accordance with the CTR COVID-19 Payment Policy issued March 27, 2020. In addition, Departments should expect that all expenditures will be audited and must continue to ensure that appropriate supporting documentation and other internal controls are maintained to support expenditures and other grant compliance requirements.

2. Continuing reimbursable grants (central and non-central draw) with COVID-19 related award increase

Departments have started to receive COVID-19 related increases to existing reimbursable grants. In these cases, CTR policy will be to segregate the COVID-19 related portion of the award in the MMARS COVID sub-fund. Departments should ask ANF to reserve a new appropriation for the COVID-19 related portion of existing grant. Along with requesting the new appropriation, departments will also create new Major Program and Program codes for the COVID-19 related portion of existing grants. CTR is not creating a central coding structure for COVID-19 related Major Program and Program Codes; departments may choose the Major Program and Program codes that suit their tracking and reporting needs. CTR and ANF will establish the accounting elements (revenue budget; linked appropriation; underlying tables) with reference to the COVID sub-fund. When departments view the appropriation (BQ89) and linked revenue (BQ82) pages in MMARS, they will notice that the appropriation and revenue accounts for the COVID-19 related award reference Fund 0100; Sub-fund COVID.

Department responsibility: Departments are responsible for assigning the COVID-19 related portion of an existing grant to a separate appropriation and for creating a new Major Program and Program code for the COVID-19 related portion of the grant. Departments should continue to follow the current grant set up process, but they must include the code **COVID** in the subject line of COVID-19 related email correspondence with CTR and ANF. Departments remain responsible for coding all COVID-19 related payments, regardless of funding source, in accordance with the CTR COVID-19 Payment Policy issued March 27, 2020. In addition, Departments should expect that all expenditures will be audited and must continue to ensure that appropriate supporting documentation and other internal controls are maintained to support expenditures and other grant compliance requirements.

CTR is ready to assist departments with any questions related to this policy. Please submit all federal grant set up requests to ctrfedgrantaward@mass.gov with **COVID** in the subject line. Please submit general questions related to this policy to ctrfedgrant@mass.gov with **COVID** in the subject line.