

MEMORANDUM

TO: Business Managers
FROM: Bill Bates, Chief Financial Officer, Agency of Education
SUBJECT: **UPDATED:** Federal Emergency Funds Accounting Instructions
DATE: November 23, 2020

Purpose

Before submitting reimbursement requests for ESSER or any of the Coronavirus Relief Fund (CRF) awards (including the Summer Food Service Program, Child Nutrition Equipment, LEA or Approved Independent School grants), Business Managers should ensure that all pre-award costs have been accounted for in the accounting record for the FY21 Grant award. Each subgrantee is required to use the Fund and the Revenue code for each of these Federal grants.

Please be aware that if FY20 expenditures are not accounted for in the FY21 CRF (or ESSER) accounting records and do not match the AOE 3.0, the reimbursement request cannot be approved and completed and it will be sent back for corrections. In communication with auditors and Business Managers, the AOE has created the following instructions to assist in the completion of accounting records for FY20 expenditures in the FY21 grant awards. Below are three sections.

Section 1: The accounting codes for the Fund and the Revenues for each of the CRF grants & ESSER. **Updated: 11/23/2020**

Section 2: Describes how to complete the journal entries for pre-award costs. **Updated: 11/23/2020**

Section 3: Other important information: Audit requirements, Time and Effort, Supervisory Union accounting, required back-up documentation, and FY21 CRF Accounting. **Updated: 11/23/2020**

Section 1 CRF Revenue Codes

Type	Revenue	Description	Use	Exp_RevSource	Rev_RevSource
4	2590	Subgrant—ESSER	Required	4	4
4	2591	Subgrant—GEER	Required	4	4
4	2592	Subgrant--CRF- LEA Grant	Required	4	4
4	2593	Subgrant--CRF- Summer Food	Required	4	4
4	2595	Subgrant—HVAC	Required	4	4
4	2596	Subgrant – CRF – Child Nutrition Equipment	Required	4	4
4	4590	ESSER	Required	4	4
4	4591	GEER	Required	4	4

4	4592	CRF- LEA Grant	Required	4	4
4	4593	CRF- Summer Food	Required	4	4
4	4595	CRF – HVAC	Required	4	4
4	4596	CRF – Child Nutrition Equipment	Required	4	4

CRF Fund Codes

Special Fund	Description
2131	ESSER
2132	GEER
2133	CRF-LEA Grant
2134	CRF-Summer Food
2135	CRF – HVAC
2136	CRF – Child Nutrition Equipment
2422	Subgrant – ESSER
2423	Subgrant – GEER
2424	Subgrant--CRF- LEA Grant
2425	Subgrant--CRF- Summer food
2426	Subgrant – CRF- HVAC

CRF Project Codes

AOE Code	AOE Code Description
19000000	COVID-19 – Non-Budgeted
21000000	COVID-19 – Repurposed

Section 2 – Updated 11/23/2020

Accounting for CRF Funds

FY2020 expenses, both repurposed and unbudgeted, will be reimbursed in FY2021. These will be recorded as Section 1 revenue codes for CRF. Unbudgeted and unexpected expenditures will be tracked by one project number and eligible repurposed expenditures will be tracked by a second project number. The reimbursement will occur as a separate payment using an [AOE 3.0 form](#) with supporting documents and a narrative description of the expenditures.

Instructions on submitting a CRF reimbursement request can be found on the [AOE website](#).

FY2021 expenses, both repurposed and unbudgeted, will also use an AOE 3.0 with supporting documents and be recorded as revenue in FY2021, also using revenue codes from Section 1.

The entries below were identified to assist Business Managers in closing the financials for FY2020 and FY2021 for Coronavirus Relief Funds. Brad James will update the Cash Flow Statements for FY2020 to reconcile to the final amounts for each District.

LEAs: School Districts and Supervisory Unions that do not Sub-grant Funds

FY2020 Unbudgeted Eligible Expenses

To Record CRF Expenditures for Unbudgeted Eligible Expenses for FY2020. To move existing FY2020 CRF COVID expenditures from other funds (General, Nutrition, Etc.) to the CRF fund in FY2020.

Description	Debit	Credit
Total amount of the Object code '100' to CRF Fund:	X	
Total amount of the Object code '200' to CRF Fund:	X	
Total amount of the Object code '600' to CRF Fund:	X	
Total of the Object code '100' from Other Funds:		X
Total of the Object code '200' from Other Funds:		X
Total of the Object code '600' from Other Funds:		X

To Record Receivable for CRF Revenue for Unbudgeted Eligible Expenses for FY2020

Description	Debit	Credit
Inter-gov AR-Federal	X	
CRF Revenues-Federal		X

To Record CASH Received for CRF Receivable from FY2020

Description	Debit	Credit
Cash	X	
Inter-gov AR-Federal		X

To Record Transaction of FY2021 CRF Grant award to cover FY2020 CRF Pre-award expenditures

Description	Debit	Credit
Total amount of the Object code '100' to CRF Fund:	X	
Total amount of the Object code '200' to CRF Fund:	X	
Total amount of the Object code '600' to CRF Fund:	X	
Cash		X

FY2020 Budgeted Eligible Expenses but repurposed due to COVID-19

To Record CRF Expenditures for budgeted Eligible Expenses for FY2020. To move existing FY2020 CRF COVID expenditures from other funds (General, Nutrition, Etc.) to the CRF fund in FY2020.

Description	Debit	Credit
Total amount of the Object code '100' to CRF Fund:	X	
Total amount of the Object code '200' to CRF Fund:	X	
Total amount of the Object code '600' to CRF Fund:	X	
Total of the Object code '100' from Other Funds:		X
Total of the Object code '200' from Other Funds:		X
Total of the Object code '600' from Other Funds:		X

To Record Receivable for CRF Revenue for budgeted Eligible Expenses for FY2020

Description	Debit	Credit
Inter-gov AR-Federal	X	
CRF Revenues-Federal		X

To Record Accounts Payable to the State of Vermont for overpayment of Budgeted Eligible Expenses for COVID-19 for FY2020 in FY2021

Description	Debit	Credit
Education Spending Grant	X	
Inter-Gov AP-State		X

To Record CASH Received for CRF Receivable from FY2020 in FY2021

Description	Debit	Credit
Cash	X	
Inter-gov AR-Federal		X

To Record CASH Refunded to the State of Vermont for Accounts Payable from FY2020 in FY2021

Description	Debit	Credit
Inter-gov AP – State	X	
Cash		X

FY2021 Budgeted Eligible Expenses but repurposed due to COVID-19

Note: Brad James will be contacting you for the total amount of repurposed expenditures. Please have the accounting record available when contacted.

To Record CASH Received for CRF Revenue for Budgeted Eligible Expenses from FY2021

Description	Debit	Credit
Cash	X	
CRF Revenues-Federal		X

To Record Cash Paid to the State of Vermont for overpayment of Budgeted Eligible Expenses for COVID-19 for FY2021

Description	Debit	Credit
Education Spending Grant	X	
Cash		X

Section 3 – Updated 11/23/2020

Single Audit for all the CRF and ESSER Funds

The Single Audit Act and 2 C.F.R. Part 200, Subpart F regarding audit requirements apply to any non-federal entity, as defined in 2 C.F.R. 200.69, that receives payments from the Fund in the amount of \$750,000 or more. Non-federal entities include subrecipients of payments from the Fund, including recipients of transfers from a State, territory, local government, or tribal government that received a payment directly from Treasury.

Time and Effort Documentation for all the CRF and ESSER Funds

1. Complete a Personal Activity Report (PAR)
2. Complete a Periodic Time Certification (PC)
3. Timesheets (if the person was paid by a timesheet, that will be allowable for Time and Effort when monitored)
4. A separate contract for the extra work (Use a Periodic Time Certification)
5. A staff member or teacher that is not paid by a Federal grant in FY20, could complete a simple form that states the following:
 - a) The total amount of hours and the dates
 - b) A brief description (in a few words) of what the activity was: repurposed activity, extra duties activity, and others for the staff or teacher
 - c) The signature of the staff/teacher
 - d) The signature of the supervisor.
6. Paying staff members (hourly wages) that did not work during the pandemic due to the shutdown, the [Governor's executive order](#) (July 30, 2020) stating that everyone will get paid through FY20 would meet the requirement for Time and Effort. If a request is made by the

AOE for Time and Effort documentation for those staff, be sure to include a copy of that Executive order.

How does the Supervisory Union account for all their Member School Districts expenditures in the CRF Award?

Supervisory Union Level

Create A sub-grant agreement between each of the Member School District(s) that have COVID-19 Allowable Expenditures and the LEA. In the Sub-Grant agreement please include the total dollar amount of FY20 and FY21 COVID-19 expenditures.

Each Member School District Level:

To Record CRF Expenditures for Unbudgeted Eligible Expenses for FY2020. To move existing FY2020 CRF COVID expenditures from other funds (General, Nutrition, Etc.) to the CRF fund in FY2020.

Description	Debit	Credit
Total amount of the Object code '100' to CRF Federal Fund:	X	
Total amount of the Object code '200' to CRF Federal Fund:	X	
Total amount of the Object code '600' to CRF Federal Fund:	X	
Total of the Object code '100' from Other Funds:		X
Total of the Object code '200' from Other Funds:		X
Total of the Object code '600' from Other Funds:		X

To Record Receivable for CRF Revenue for Unbudgeted Eligible Expenses for FY2020

Description	Debit	Credit
Inter-gov AR-Federal	X	
CRF Revenues-Federal		X

Supervisory Union Level

Note: The Agency is monitoring random expenditure reimbursement requests as they come into the office. Documentation is a requirement to make the expenditure an allowable expense. You might receive a call or an email for documentation regarding your request for reimbursement.

1. Time and Effort: Make sure to have a copy of this for the staff that is being paid from the CRF grant award.
2. Expenditure documentation:
 - a) Include invoice, procurement, and payment information.
 - b) A description of why the expense is COVID-19 related.
 - c) Other information if needed

FY21 CRF Funding and accounting for Expenditures:

1. Treat all CRF and ESSER grant awards for the current year as you would as any other Federal Award that you receive. Create a budget and expenditures directly charged to this budget. This require some journal entries if you did not start with the CRF and ESSER budgets and expenditures.
2. When submitting AOE 3.0 reimbursement requests, your accounting records must match the AOE for the CRF or ESSER award.

Health and Pension Cost of 19% on wages and stipends

1. When time to pay the cost of the 19%, you are allowed to group the amount of salaries that was charged in FY20 in the FY21 CRF grant award and then calculate the percentage to it. Then send the payment in in when the time comes to pay this expense.

Repurposed cost from FY20 that was paid from the FY21 CRF- LEA grant Award.

1. Note: Brad James will be contacting you for the total amount of repurposed expenditures. Please have the accounting record available when contacted.