



**Date:** May 1, 2020

**To:** Agency CFOs, Agency Budget Directors, Agency Accounting Directors

**From:** Bryan Dahl, Financial Planning Director; Ron Mavetz SWIFT System Support Director

## **RE: Budget and accounting guidance for COVID-19 state and federal funding**

This memo instructs agencies how to implement a budget and accounting structure for COVID-19 funding. The structure will facilitate enterprise reporting on the funding available for COVID-19 response and the uses of that funding. A consistent budget and accounting structure across state government will allow greater access and transparency for the public and allow the Governor and Legislature to make informed decisions about the resources available for responding to the pandemic. Decision-makers expect daily reporting on expenditures and remaining available resources. We also anticipate federal agencies will issue robust reporting requirements for funds allocated to the State of Minnesota for COVID-19 response.

This document does not replace [guidance](#) issued earlier for tracking COVID-19 expenditures. Agencies should continue to use the Statewide Cost code C19 for all COVID-19 related expenditures, or specific payroll earnings codes for COVID-19 leave and time worked.

There are three groups of funding sources for COVID-19 response:

1. State appropriations from the general fund or other state funds for specific COVID-19 uses.
2. Federal funding to state agencies provided through four federal acts:
  - a. Coronavirus Preparedness and Response Supplemental Appropriations Act
  - b. Families First Coronavirus Response Act (FFCRA)
  - c. Coronavirus Aid, Relief, and Economic Security Act (CARES)
  - d. Paycheck Protection Program and Health Care Enhancement Act
3. Federal funds allocated to the State of Minnesota from the CARES act Coronavirus Relief Fund. These funds have been deposited in a new fund 3010 and will be allocated for COVID-19 response.

## **Budget and Accounting Instructions**

Agencies must establish separate AppropID accounts in SWIFT for all COVID-19 specific state and federal funding sources. New AppropID accounts should use the legal citation 3 attribute to denote a COVID-19 funding source:

- Enter COV in the first three characters
- Enter 00 – 04 to note the funding source
  - 00 – State funding source

- 01 – Coronavirus Preparedness and Response Supplemental Appropriations Act
- 02 – Families First Coronavirus Response Act (FFCRA)
- 03 – Coronavirus Aid, Relief, and Economic Security Act (CARES)
- 04 – Paycheck Protection Program and Health Care Enhancement Act

**Example Legal Citation 3**

ALL			Funding Source	
C	O	V	0	2

To establish a new appropriation ID or modify an existing appropriation in SWIFT, agencies must use the Appropriation Maintenance Application (AMA). See the [AMA User Guide](#) and [Glossary](#) for instructions about entering appropriation requests into AMA.

**Financial Reporting and Preparation for Future Federal Reporting Requirement**

We anticipate the federal government will issue significant reporting requirements for funds allocated for COVID-19 response. Agencies should prepare for this by using the SWIFT grants module to account for these funds separately from other federal funds.

All Federal funds received related to the COVID-19 pandemic will need to be reported separately in the Federal Single Audit:

- If the funds received create a new program the agency will need to request a CFDA number be added to SWIFT. The request to make this addition must include the letter “C” after the new CFDA number and the prefix of “C19” to the new program title.
- If the funds received supplement an existing program the agency will also need to request a CFDA number be added to SWIFT. The request to make this addition must include the letter “C” after the existing CFDA number and the prefix of “C19” to the existing program title. Example: CFDA number: 20.106C and Program Name: C19 Airport Improvement Program.

Submit requests for new CFDA numbers to Kenneth Jackson [Kenneth.jackson@state.mn.us](mailto:Kenneth.jackson@state.mn.us), Josie Shrum [Josie.shrum@state.mn.us](mailto:Josie.shrum@state.mn.us), or Gao Xiong [Gaosong.xiong@state.mn.us](mailto:Gaosong.xiong@state.mn.us).