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TO: State Agency Fiscal and Budget Officers

FROM: Ed Ross, Controller
Office of the Controller,
Finance and Administration Cabinet

John T. Hicks, State Budget Director
Office of State Budget Director

DATE: March 26, 2021

SUBJECT: Tracking Expenses –American Rescue Plan Act, 2021

The Office of the Controller, within the Finance and Administration Cabinet, and the Office of State Budget Director are providing the following guidance for the tracking of expenses related to the issuance of the American Rescue Plan Act, 2021.

1. The American Rescue Plan Act, 2021, enacted on March 11, 2021, will provide additional COVID-19 related federal funds for many existing federal programs, with the addition of new federal awards.
2. All Commonwealth agencies should record any activity allowable under the American Rescue Plan Act, 2021, separately from existing non-COVID-19 related federal programs.
3. Fund 12CV should continue to be used for the Coronavirus Aid, Relief and Economic Security (CARES) Act, 2020, the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act, 2021, and the American Rescue Plan Act, 2021, as described in Section 5.
4. The Major Program “CARES” is used exclusively for the Coronavirus Relief Fund awards and should **not** be used for new federal awards under the American Rescue Plan Act, 2021.



5. New federal awards provided under the American Rescue Plan Act, 2021, should be reported as follows:
 - A. A new Program code must be created to account for the funds received under the American Rescue Plan Act, 2021.
 - B. Each new Program should be associated with Program Category “ARPA” on the Program Table.
 - C. If a new Major Program is required, agencies should establish the new code at their discretion. Agencies should **not** use Major Program “CARES” or any Major Program denoted in Section 6. If agencies already have an established Major Program for coronavirus related activity, it is permissible to continue to use the existing Major Program.
 - D. Fund 12CV should be used for all related expenditures EXCEPT for those in Section 6. Agencies should populate fund 12CV on the ‘Front-End Split’ and ‘Reimbursement’ sections of the Funding Line record.
 - E. Agencies will be required to create a new Reimbursable Grant Budget document (BGPDR) to establish the ‘Current Budget’ based upon the federal award.

6. Exceptions:
 - A. Fund 12SR should be used for all State Fiscal Recovery Fund activity. The Office of State Budget Director will notify eligible agencies of the award. Awarded agencies will be required to establish a new Major Program code “SFRF” and a new Program code “SFRF” with Program Category “ARPA”.
 - B. Fund 12CP should be used for all Coronavirus Capital Projects Fund activity. The Office of State Budget Director will notify eligible agencies of the award. Awarded agencies will be required to establish a new Major Program code “CCPF” and a new Program code “CCPF” with Program Category “ARPA”.
 - C. Agencies will be required to create a new Reimbursable Grant Budget document (BGPDR) to establish the ‘Current Budget’ based upon the federal award.

7. If a federal awarding agency issues additional federal appropriations under the American Rescue Plan Act, 2021, that are **not** on a reimbursable basis, may earn interest, and **not** identified in Section 6, the agency should contact the Office of the Controller, Office of Statewide Accounting Services, and the Office of the State Budget Director for additional guidance and fund creation.

If you have any questions related to the required Cost Accounting Setup, or need assistance related to the American Rescue Plan Act, 2021, please contact the Office of the Controller, Office of Statewide Accounting Services, or the Office of State Budget Director.

Thank you for your assistance in ensuring the Commonwealth has comprehensive and accurate statewide reporting on spending in response to COVID-19.

