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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 18, 2020

SUBJECT: Families First Coronavirus Response Act and Tracking Expenses

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 response to the novel coronavirus (COVID-19).

There are multiple purposes for tracking these expenses:

- Maintain an inventory of total Kentucky state government spending related to the response to COVID-19.
- Document spending related to the Governor's March 6, 2020, State of Emergency Executive Order (2020-215) and any subsequent orders directing the Division of Emergency Management within the Department of Military Affairs and the Department of Public Health within the Cabinet for Health and Family Services to coordinate the response and relief activities of all state agencies, and the President's March 13, 2020, declaration of a National Emergency empowering the Health and Human Services department and FEMA to direct the federal response.
- Document spending related to the recently enacted federal H.R. 6074, Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 and any subsequent COVID-19 response federal grant awards.

For tracking purposes, these issues are divided into two categories: reimbursed and unreimbursed expenses.

Reimbursed Expenses:

For expenses that are:

- 1) Directed by the Department of Public Health or the Division of Emergency Management pursuant to the Governor's Executive Order 2020-215 or the President's declaration of Emergency, a new Function code has been established, CVID; and
- 2) Federal grant awards directed at the response to COVID-19.

For expenses using the Function code, CVID, do not use the new E302 expenditure object code, instead use the applicable object code.

Unreimbursed Expenses:

Unless specifically directed, state agencies are requested to use the expenditure object code E302 COVID-19 Health Emergency to identify operating spending. Please use this expenditure object code for extra operating expenses in response to COVID-19, e.g., additional VPN accounts. Since these are expenses that will be absorbed within existing state agency budgets, do not use the CVID function code, as those are limited to reimbursed expenses. In addition to properly coding the object code on the eMARS Transaction, agencies shall attach a copy of the itemized receipt to the Header of the eMARS transaction. If the amount exceeds the agency's small purchase authority or could be considered a split purchase, attach the Emergency Purchase Form signed by the Finance and Administration Cabinet Secretary.

COT billing will continue to post against object codes E801 and/or E802. COT will track all expenses related to COVID-19 with the keyword "COVID-19" in the monthly billing report. It is incumbent upon agencies to include the keyword "COVID-19" for all applicable HEAT tickets. COT will provide each agency a monthly report, via SharePoint, to detail all COVID-19 related expenditure. Agencies will be responsible for JV'ing any COT related COVID-19 expenditures to object code E302.

If you have any questions, please contact the Office of the Controller, Office of Statewide Accounting, 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.