# Coronavirus Relief Funds Finance Officer Q&A

Dates:

1. **What date can we go back to in order to recode expenses?**

The recommended date for audit purpose is July 1, 2020 to present.

1. **We were notified of this today and have to spend this out by the end of the month 12/30?**

Yes, the expenditures can be retroactive. For the sake of simplicity, we would recommend retroactive expenditures back to July 1, 2020.

1. **Why by December 30, 2020?**

The CARES Act established multiple programs nationwide with an expiration date of 12/30/2020.

1. **Can we have encumbrances in 17GG as of 12/30 or does everything have to be expended (checks written)?**

No, the funds should be spent by December 30, 2020 but you may apply these funds retroactively.

SEEK:

1. **I have already seen notifications of deposits and the amounts do not offset each other.**

Starting with the December 2020 payment and running through the remaining months of FY21, an amount equal to the CRF funds will be reduced from SEEK payments gradually over this period.

1. **Does the amount of SEEK being withheld in December come to districts in future payments?**

The CRF amount will come in a lump sum while the adjustment in SEEK will take seven (7) months. The final calculation of SEEK (3/1/2021) is yet to be determined so the calculation for payments is not yet complete. However, this is a net zero gain/loss swap of funds.

1. **The Commonwealth of Kentucky Electronic Funds Transfer Notification email says "SEEK Transportation Corona Virus Relief 17GG". I'm assuming this portion of the relief dollars have to go specifically to Transportation needs?**

No, the CRF funds are to be considered general funds. In order to apply the payment correctly, the adjustment was made in SEEK, Transportation, and Tier I payments. However, all the funds from the CRF are to be treated as general funds.

1. **Are we going to get one of our SEEK payments cut down the line as a result of this funding?**

Starting with the December 2020 payment and running through the remaining months of FY21, an amount equal to the CRF funds will be reduced from SEEK payments gradually over this period.

1. **We received the revenue today and the amount for SEEK was $44,118 less than last month. The CRF funds were also received in the amount of $529,421 in addition to SEEK. So SEEK will be reduced in months to come, that will total the amount of CRF funds we received correct?**

Correct.

1. **I received an email with how much we are getting for December SEEK but it makes no sense. It looks like we are getting 121K more. Can you explain how we determine how much money we are getting from this?**

Yes, the amount of CRF funds a district receives depends on percentage of SEEK a district receives. This CRF transaction is a net zero gain/loss.

[CRF Funds Per District](https://education.ky.gov/districts/SEEK/Documents/Coronavirus%20Relief%20Fund%20Allotment%20Per%20District.pdf)

1. **Do we need to amend our budgets for the SEEK reduction?**

This is not a SEEK reduction.

1. **My GF budget, in which I code SEEK funds, will lose the CFR amount because it will now be a Fund 2 with COVID spending restrictions...is this correct?**

No, funds may be expended on expenses allowable by SEEK and/or COVID related

Expenditures:

1. **Do the funds have to be used for COVID like expenses, or can they be used for other operational expenses as well?**

Funds may be expended on expenses allowable by SEEK and/or COVID related.

1. **If we use for salaries, will we have to pay federal benefits match?**

The CRF is using a state project number and will not require a federal benefits match.

1. **Can recode salaries from general fund (not worrying about federal matching) going as far back in the fiscal year as needed to expend the funds?**

Yes. However, do not apply these funds to anything special education related due to MOE impact.

1. **Can indirect cost be charged for CRF?**

No. This is not a federal grant and you cannot charge indirect cost.

1. **What is we have already received and coded CARES funds, and we have nothing to spend the CRF funds on?**

CRF funds may spent, for example, on non special education payroll, utilities, and insurance.

1. **You mentioned that local salaries would be eligible, however since these are Federal Funds, would Federal Health Reimbursement apply?**

The CRF is using a state project number and will not require a federal benefits match.

1. **If the maintenance of effort requires a specific level of general fund expenditures for exceptional education, will the CRF be excluded from a district's maintenance of effort resulting in the same level of expenditures from a reduced general fund?**

These funds should NOT be used for any special education expenditures. This will prevent an impact to MOE calculations.

1. **Our insurance products including workman’s comp and unemployment would be easiest. Would those qualify?**

Yes

1. **I'd like to use tax collection fees.**

Yes, this is an acceptable expense.

1. **Can we use it to pay bond payments? Is this something we should or should not do?**

Yes, it can be used on General Fund bond payments.

1. **If we use salaries do we pay federal retirement contribution rates? If so, how would we use past salaries from general fund?**

Since we are using a state project number, federal match will not be necessary or captured once you do the JE in salaries.

1. **Can any salaries and related benefits (excluding programs 200-239) be recoded to17GG? (meaning not COVID related)**

Yes.

1. **Can we move like electricity as one entry instead of coding 6 entries back?**

Yes.

1. **17GG with our naming pattern this would be a state grant, so the federal match for salary applies or no?**

Correct, the CRF is using a state project number and will not require a federal benefits match.

1. **Will it be essentially treated like GF salaries as we did with the old SFSF funds years ago?**

Yes.

1. **For clarity, basically any general fund expenditures (excluding special ed due to MOFE concerns) is eligible to be used for CRF funding.**

Correct.

1. **Are buses allowable expenses for this grant?**

Yes.

1. **May we move general fund general liability and property insurance, utilities, phones bills etc. to fund 2 to CRF?**

Yes.

1. **If we can only pay salaries, then the districts are taking a budget cut of 25+% since we have to pay the Federal Match. Will we be able to us the funds on other expenditures?**

The CRF is using a state project number and will not require a federal benefits match. Funds may be expended on expenses allowable by SEEK and/or COVID related.

1. **Can we pay expenses (KISTA/GF BOND PAYMENTS) in advance?**

Funds must be spent by December 30, 2020 and cannot be encumbered. However, you may apply the funds retroactively.

1. **If we are getting ready to do a one-time supplemental pay increase in December, can we use project 17GG to pay those instead of moving past payroll expenses?  The total of the supplemental pays were all going to come from general fund anyway and this would be easier than doing payroll history on past payrolls.  Would I still need to remove the program codes 200-239 for this type of expenditure?**

Yes.

1. **Can we have encumbrances in 17GG as of 12/30 or does everything have to be expended (checks written)?**

No, funds must be spent.

Journal Entries:

1. **Can we just do a journal to move funds/expenses?**

Yes.

1. **Can we move this by journal entries rather than invoice maintenance journals or changing payroll history journals?**

The simplest would be to do a JE for the totals. If you desire a complete breakdown and flow, you can go the invoice maintenance route.

1. **So basically, we can just do one general journal entry i.e.. fund 1 instruction org salary code for the entire amount (if the past 6 months salaries are enough)?**

Yes.

1. **You cannot do history transfers between Federal fund and General Fund in payroll. To do journal entries, how is that going to work with tax reporting if we are doing past payrolls?**

Email krystal.smith@education.ky.gov for a sample MUNIS transaction.

Matrix:

1. **Which funding matrix applies to these funds? The GEER matrix?**

This funding is being treated like SEEK funds so therefore a funding matrix is not needed.

1. **Will there be matrix of allowable object codes for school districts to follow that will be sent to school districts?**

This funding is being treated like SEEK funds so therefore a funding matrix is not needed.

Working Budgets:

1. **Working budgets have already been submitted, however this will result in a reduction to our General Funds revenues since this will be recorded in Fund 2. Will our working budget need to be revised and resubmitted?**

If you choose to amend or revise your working budget, it will not need to be resubmitted to KDE. However, you may do this in order to notify your board.

Audits:

1. **What documentation do we need to keep to support these large journal transactions hitting federal grants? I have concerns about single audit.**

You may want to get with your auditor to see what is best for your district.

1. **If we do release the audit and the addendum comes out afterward, what would we need to do? Amend the audit report?**

You may want to get with your auditor to see what is best for your district.

1. **All rules related to the Grants Supercircular 2CFR Part 200 must be followed for our annual single audit as part of required external audit correct?**

You may want to get with your auditor to see what is best for your district.

1. **I have a question similar to all the journal entry questions.  The journal entry is much simpler than doing maintenance entries.  For instance, if you have non-special ed teacher codes for a school (0110) that exceed your SEEK CARES allocation, you can do a 2 minute entry to the 17GG code (debit expense in Fund 2 and credit the similar code in Fund 1).  Time would be saved for having to do a multiple code entry or multiple maintenance entries.  I guess the question is how much detail will be required in the report, or, is showing that it is 100% expended enough, with auditor clearance?**

You may want to get with your auditor to see what is best for your district.

1. **What documentation do we need to keep to support these large journal transactions hitting federal grants? I have concerns about single audit.**

You may want to get with your auditor to see what is best for your district.

It is recommended that districts get with their auditor about documentation on the audit side.  As we discussed on our in-house Teams call earlier, we have learned some auditors may suggest journaling the 3111 revenue (state code) to the more appropriate 4500 (federal code) later in the fiscal year once the January CDIP report is finalized so the Munis reports match up to the year-end SEFA.

Miscellaneous:

1. **Funds may not "exceed $500 per student for a district. Will the per student funds be the same for all districts across Kentucky?**

No, each district per pupil amount is different.

1. **I have a question. I was under the assumption yesterday that CRF could be used for any SEEK expense ( insurance, electricity, etc.) but in today’s email on page 2 it says: “Should a district choose not to expend CRF funds on salaries, the CARES Act provides for additional permissible uses including: personal protective equipment (PPE); facility cleaning and sanitation; technology to support distance learning; capital costs which are reasonable and necessary and tied directly to COVID-19 preparation; response, mitigation; increases in pupil transportation costs related to additional routes and the requirements for social distancing; and for increases in transportation costs for delivery of meals associated with food services.” Which is correct, any expense or any expenses related COVID?**

Treasury recognizes that schools are generally incurring an array of COVID-19-related expenses to either provide distance learning or to re-open. To this end, as an administrative convenience, Treasury will presume that expenses of up to $500 per elementary and secondary school student are eligible expenditures, such that schools do not need to document the specific use of funds up to that amount.

1. **If CRF is designed to prevent the 8% budget increase then why can't we use if for our regular operational expenses. If we can't, then it still results in a budget reduction.**

Funds may be expended on expenses allowable by SEEK and/or COVID related. This includes operational expenses. However, please do not apply these funds to anything special education related due to MOE impact.

1. **How does the supplement, not supplant not apply to these funds?**

The Office of the State Budget Director has indicated that the funds are not subject to supplanting requirements.

1. **Where is the SEEK withholding going? If SEEK isn't cut, what happened to the money being replaced by the $130 million?**

This will be determined by the Office of the State Budget Director as well as the General Assembly.

1. **So we may also see a reduction in other state funds as we were originally told?**

No.

1. **Can we elect not to receive the CRF and simply get our regular SEEK money if we do not have COVID expenses?**

**No.**

1. **Aren't Coronavirus Relief Funds intended for COVID expenses? I'm not comfortable coding expenses that are not COVID related. This was not the intention for those funds.**

Please refer to Treasury FAQ on related question in this same document.

1. **Should we expend ALL CARES, GEERS, and ESSER before Dec 31 to prove that we do need additional funding? We purposely held back these funds in preparation for upcoming State cuts this spring. We could have wiped out all funds immediately with staffing expenses so if this would benefit the State in negotiations with Federal leaders it would be good to know.**

These funds should be spent in accordance with the applicable rules and the needs of your district