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April 17, 2020

**COMPTROLLER'S MEMORANDUM NO. 2020-07**

TO: Heads of Departments and Agencies

ATTN: Fiscal Offices

FROM: Curt T. Otaguro, Comptroller 

SUBJECT: Accounting Policy to Support COVID-19 Federal Award Reporting Requirements under Sec. 15011 of the CARES Act

There have been three COVID-19 federal bills enacted so far that provide financial aid to the states to respond to the COVID-19 pandemic which in some cases are being disbursed as federal awards to state programs either as a new award or as a supplement to an existing federal award.

The third bill, the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136), includes reporting requirements under Sec. 15011 "Reporting on the Use of Funds". The reporting requirements described in this section will apply to states and any entity that receives more than \$150,000 for awards appropriated from any of the three COVID-19 bills such as total amount of funds received from an agency; amount expended or obligated; a detailed list of projects or activities for which funds were expended or obligated; the estimated number of jobs created or retained by the project or activity; and detailed information on subcontracts or subawards. Each federal agency will be required to provide a user-friendly means for covered recipients to meet requirements of this subsection.

In order to prepare for these reporting requirements, departments should maintain detailed records on the use of COVID-19 award funds. In cases where a COVID-19 award is issued as a new award or supplement to an existing award, expenditures for COVID-19 funds should be differentiated in the appropriation account by assigning an activity code of "COV" to all COVID-19 funded expenditures.

Should you have any questions, please contact Lenora Fisher, Accounting System Administrator, Accounting Division at [lenora.d.fisher@hawaii.gov](mailto:lenora.d.fisher@hawaii.gov).

c: Mark K. Anderson, Department of Budget and Finance, OFAM