



## MEMORANDUM

**DATE:** April 20, 2020

**TO:** All Agencies, Boards and Commissions  
Attention: Agency Finance Officers

**FROM:** <sup>PO</sup> Philip Olsen, State Accounting Administrator and Gerry A. Oligmueller, State Budget Administrator <sub>GAO</sub>

**RE:** COVID-19 Expenditure Tracking Guidance

On March 27, 2020, H.R. 748 – the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law by the President. The CARES Act provides, in part, significant federal funding to the State to cover the costs incurred due to the public health emergency. We anticipate federal guidance will allow a broad range of costs to be covered. In preparation of that guidance, the state needs to position itself to have data available for possible reimbursement of general and cash fund expenditures related to COVID-19.

The State already has an accounting system in place that can account for these new resources provided by the federal government related to COVID-19. We must take steps to properly identify and account for COVID-19 related expenditures, and strive to meet the high standard of transparency and accountability that is expected of us as these funds flow through our existing processes.

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Administrator

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If your agency has or expects to have COVID-19 related general or cash fund expenditures, please take the following steps to separately account for these transactions:

- Create a Business Unit in your fund(s) that incorporates the value 'COVID19' in Category Code 21 (*now identified as COVID19 in the column heading*). No COVID-19 activity should be co-mingled in an existing business unit. Track these expenditures in these new business units for possible future reimbursement.
- Notify State Accounting that a new business unit activation request involves COVID-19 funding when requesting activation so we can ensure that category code 21 is properly entered.
- Journal entry any COVID-19 related expenditures dating back to March 1, 2020, to the new business unit(s).

Please review this information in light of your knowledge of the funds flowing through your agency. We invite you to contact the persons listed below for additional information on how to code these expenditures in the accounting system.

Thank you for your dedication and cooperation in meeting the important goals of transparency and accountability for our use of federal aid and relief funding.

State Accounting contacts

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