CARES Act Grant Monies received by Cities/Towns and Counties and passed to other governments and local businesses.

Who this applies to
City, town, or county government only

Purpose of the alert
This alert provides BARS coding guidance for CARES Act grant monies received by a local government that they are passing to other governments and businesses, with the assumption that the grant agreement allows the local government to support the payment’s purpose.

Detailed guidance
BARS coding guidance for CARES Act grant monies received by a local government that they are passing to other governments and businesses will have different BARS coding depending on whether the payment supports an existing operation of the payor local government.

What is an existing operation? An existing operation is a program or function that the local government is authorized to perform and was performing prior to the COVID-19 pandemic.

<table>
<thead>
<tr>
<th>Supporting an existing operation</th>
<th>Not supporting an existing operation</th>
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<tbody>
<tr>
<td>Use the payor local government’s normal functional BARS expense codes in which the payment is supporting.</td>
<td>The payor government should use the 518.63 code.</td>
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Note on the 518.63 BARS code name: The current title of the 518.63 code is “General Grants, Financial Assistance and Other Distributions to Local Governments.” Although the title only lists local governments, due to the unusual circumstances of COVID-19, the Auditor’s Office is expanding the definition of this code and will be adjusting the name to include other entities (public and non-profits).

If you have questions related to coding, accounting and reporting, please use the SAO Helpdesk.