



# Office of the Washington State Auditor

## Document, document, document!

What's the best advice we can give you regarding use of and documentation for CARES Act Funding? Document, document, and document some more. These funds should be treated just like any other federal award, which means their use should comply with the terms and conditions of the award and the Uniform Guidance. The federal Office of Management and Budget (OMB) provided some additional guidance and some exemptions to Uniform Guidance in its Memorandums M-20-21, M-20-20, and M-20-17. OMB has stressed the requirement to maintain appropriate records to support costs charged to federal awards.

On any activities or purchases related to the preservation of public health and promotion of public welfare:

- First consult your policies and then seek legal advice from your attorney.
- Consider whether a policy adjustment is necessary before taking the proposed action.
- Fully document your analysis and evaluation to support the action or decision taken.
- Document the source of your criteria; take a screen shot if available.
- Account for coronavirus-related expenditures and revenues in your accounting systems, ensuring they can be separately identified.
- **Document, Document, Document!**

A grantee must maintain appropriate records, as required by 2 CFR 200.302 (financial management), 2 CFR 200.430(i) (standards for documenting personnel expenses), and 2 CFR 200.333 (retention requirements for records) to substantiate the charging of any compensation costs related to interruption of operations or services. The grantee must have adequate supporting records to support that the cost met the terms and conditions of the award and allowable costs/cost principles under 2 CFR 200 Subpart E (necessary and reasonable, allocable, net of credits, limitations, consistency, and where required – prior written approval).

Also, the grantee must have evidence that internal controls are in place (2 CFR 200.303). Auditors likely will be required to test the effectiveness of the internal controls over compliance, which probably will include any amended or temporary emergency controls (policies/procedures/processes) put in place due to the circumstances/work environment changes.

For specific questions regarding the allowability of a particular cost or documentation of a cost, we recommend clients contact the awarding agency and keep a record of the response (whom they talked to, when, and what the question and answer were). Email would be ideal for this.

In addition, on April 24, 2020, we issued a BARS Alert addressing the BARS Coding for COVID-19 and stimulus payments. You can find this guidance on our website at:

**CASH:** [www.sao.wa.gov/bars\\_cash/alerts-changes/header-for-overview-of-significant-changes/](http://www.sao.wa.gov/bars_cash/alerts-changes/header-for-overview-of-significant-changes/)

**GAAP:** [www.sao.wa.gov/bars\\_gaap/alerts-changes/overview-of-significant-changes/](http://www.sao.wa.gov/bars_gaap/alerts-changes/overview-of-significant-changes/)



# Office of the Washington State Auditor

## **More resources**

Here are some more resources you can look to regarding management of federal coronavirus relief funds.

*SAO blog posts*

[Check out these top resources about federal assistance during COVID-19 \(April 27\)](#)

[Keep these tips in mind if you are spending FEMA Public Assistance money \(April 29\)](#)

[5 reasons to step up your documentation \(June 9\)](#)

*Municipal Research and Services Center (MRSC)*

[Coronavirus \(COVID-19\) Local Government Fiscal Impacts](#). See the section dedicated to “CARES Act and Federal Stimulus.”

*Washington State Department of Commerce*

[Local Government Coronavirus Relief Funds](#)