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MEMORANDUM

TO: All Agency Accounting Contacts

FROM: Kathleen D. Baxter 
State Comptroller

DATE: July 15, 2020

RE: Accounting and Reporting for COVID-19 Pandemic

Federal financial assistance includes commodities and other non-cash items in addition to cash grants. Your agency may have already received non-cash items from the federal government such as medical supplies, testing equipment, PPE, and pharmaceuticals. Each agency is responsible for reporting all federal financial assistance received for both CAFR and SEFA purposes.

SEFA

These non-cash items received during FY20 must be reported on the FY20 SEFA prepared by each agency and documentation is required. Non-cash items received from another State of Alabama agency as pass-through assistance should not be reported on the schedule for your agency.

CAFR

Your agency may have purchased supplies and equipment, received non-cash items from the federal government, or received non-cash items from other domestic or foreign entities. Take an inventory of all donated supplies and all purchased supplies on hand at September 30, 2020. An FRJV1 will be required in the 13th accounting period for non-cash supplies received during the year. An FRJV1 will be required for inventory of donated and purchased supplies at year-end if the total is significant. If the value of a piece of equipment received from the federal government or other entity is \$15,000 or more, then an FA document is required in STAARS. Equipment shouldn't be included in the FRJV1 for supplies even if under the \$15,000 threshold. If there are significant transfers of supplies between State of Alabama agencies, then an FRJV1 is needed from both agencies for the transfers.

FUNCTION CODE

Also, this is a reminder that function code 2033 has been established in STAARS to track statewide costs for the COVID-19 pandemic. All costs (travel, payroll, supplies, etc.) associated with your agency's response to this public health emergency should use this function code. If payments have already been made and the function code was not used, you will need to prepare a JVA or JVC to reallocate the expenditures to the correct function code.

If your agency has questions about these requirements please contact Rick Thomas at rick.thomas@comptroller.alabama.gov or 334-353-1612. Thank you for your cooperation and support.