



WILLIAM McNAMARA
COMPTROLLER

Commonwealth of Massachusetts

OFFICE OF THE COMPTROLLER

ONE ASHBURTON PLACE, 9TH FLOOR
BOSTON, MASSACHUSETTS 02108
(617) 727-5000
MACOMPTROLLER.ORG



Memorandum: American Rescue Plan Act (ARPA) REVENUE and GRANTS

Effective: June 16, 2021
Last Updated: June 16, 2021

Executive Summary

This memo sets forth the Office of the Comptroller (CTR) accounting guidance for revenue and grants received pursuant to the American Rescue Plan Act of 2021 (ARPA), Public Law 117-2. ARPA related revenue and grant transactions will post to a separate MMARS sub-fund. The sub-fund will have the code: **ARPA**. This guidance is effective immediately and applies to all revenue and grants received pursuant to ARPA. CTR is implementing this guidance in anticipation of state and federal reporting requirements relative to ARPA-related expanded revenue.

As described in more detail below, departments will continue to follow the current grant set up process for new ARPA-related grants, but they must include the code **ARPA** in the subject line of email correspondence with CTR and ANF. Departments that receive an ARPA-related award increase to an existing grant should request a new appropriation from the Executive Office for Administration and Finance (ANF) for the ARPA-related award and create a Major Program and Program for the ARPA related portion of the award.

This guidance is to be read together with CTR's COVID-19 Revenue and Grants policy, dated April 1, 2020.

Legal Authority

This guidance applies to all Commonwealth branches and departments. The Comptroller has broad authority to prescribe accounting rules and instructions for all state departments regarding the appropriate use of the state accounting system. Pursuant to [M.G.L. c. 7A, § 7](#), [M.G.L. c. 7A, § 8](#), [M.G.L. c. 7A, § 9](#) and [M.G.L. c. 29, § 31](#), the Comptroller is required to implement a state accounting system (including a centralized payroll system) and issue instructions for the accounting practices to be used by all departments for supplies, materials, assets, liabilities, equity, debt, encumbrances, expenditures, revenues, expenses and

obligations of all Commonwealth funds and accounts, including payroll, unless specifically exempted by general or special law.

The Comptroller has authority to prescribe, regulate and make changes in the method of keeping and rendering accounts and may direct state departments to implement changes in their systems to meet these statewide standards.

All CTR policies, procedures, fiscal year memos, job aids, contract forms, and materials remain unchanged, except those specifically addressed in this guidance.

Guidance

To facilitate ARPA-related reporting, CTR will track all ARPA-related revenue in a newly created MMARS sub-fund with the code **ARPA**. This guidance applies to Federal Financial Participation (FFP), other federal cost share revenue, reimbursable federal grants and any other ARPA-related revenue. All email communication with CTR and ANF relative to ARPA-related revenue or grants must include **ARPA** in the subject line.

FFP and Other Federal Cost Share Revenue

Expanded FFP and other federal cost share revenue attributable to ARPA must be posted to the new ARPA sub-fund. CTR will create secondary revenue budgets using the ARPA sub-fund to mirror existing revenue budgets for the purpose of capturing ARPA-related expanded FFP or other federal cost share revenue. For example, the federal reimbursement for Medicaid Title XIX is currently posted to Fund 0010; Sub-fund 0000; department EHS; revenue source 5202. ARPA-related expanded Medicaid will be posted to Fund 0010; Sub-fund ARPA; department EHS; revenue source 5202.

Department responsibility: Departments are responsible for notifying CTR as soon as they are aware that they will be receiving ARPA-related FFP or other federal cost share revenue. CTR will create the mirror revenue budgets in the ARPA sub-fund to capture this activity. Departments are responsible for ensuring that receipts are credited to the correct revenue accounts.

Please email notifications and questions to kristinm.lacroix@mass.gov and sara.qudah@mass.gov.

Reimbursable Federal Grants (central and non-central draw)

1. New ARPA related reimbursable grants

The grant set up process that departments currently follow does not change. CTR and ANF will establish the accounting elements (revenue budget; linked appropriation; underlying tables) with reference to the ARPA MMARS sub-fund. When departments view the appropriation (BQ89) and linked revenue (BQ82) pages in MMARS, they will notice that the appropriation and revenue accounts for these grants reference Fund 0100; Sub-fund ARPA. Please note that CTR is not creating a central coding structure for ARPA-related Major Program and Program Codes; departments may choose the Major Program and Program codes that suit their tracking and

reporting needs.

Department responsibility: Departments should continue to follow the current grant set up process, but they must include the code **ARPA** in the subject line of ARPA-related email correspondence with CTR and ANF.

2. Continuing reimbursable grants (central and non-central draw) with ARPA-related award increase

Departments have started to receive ARPA-related increases to existing reimbursable grants. In these cases, CTR policy will be to place the ARPA-related portion of the award in the MMARS ARPA sub-fund. Departments should ask ANF to reserve a new appropriation for the ARPA-related portion of existing grant. Along with requesting the new appropriation, departments will also create new Major Program and Program codes for the ARPA-related portion of existing grants. CTR is not creating a central coding structure for ARPA-related Major Program and Program Codes; departments may choose the Major Program and Program codes that suit their tracking and reporting needs. CTR and ANF will establish the accounting elements (revenue budget; linked appropriation; underlying tables) with reference to the ARPA sub-fund. When departments view the appropriation (BQ89) and linked revenue (BQ82) pages in MMARS, they will notice that the appropriation and revenue accounts for the ARPA related award reference Fund 0100; Sub-fund ARPA.

Department responsibility: Departments are responsible for assigning the ARPA-related portion of an existing grant to a separate appropriation and for creating a new Major Program and Program code for the ARPA-related portion of the grant. Departments should continue to follow the current grant set up process, but they must include the code **ARPA** in the subject line of ARPA-related email correspondence with CTR and ANF.

CTR is ready to assist departments with any questions related to this policy. Please submit all federal grant set up requests to ctrfedgrantaward@mass.gov with **ARPA** in the subject line.

Please submit general questions related to this policy to ctrfedgrant@mass.gov with **ARPA** in the subject line.