

Coding Tip of the Month, January 2022

Emergency Connectivity Fund Program Federal Grant CFDA #32.009

Although very similar to the eRate program and administered through the Universal Service Administrative Company (USAC), funding under this program is a federal grant award and not a rebate program like eRate. This grant award needs to be included in the audit on the Schedule of Expenditures of Federal Awards (SEFA). You may receive the benefit of this grant in 2 ways, reimbursement for expenditures incurred or payment directly from USAC to your vendor.

- In the scenario where the district pays the vendor, your district will incur the expenditure and will receive reimbursement from USAC for those eligible expenditures. Example coding in this scenario is below:

Debit Expenditure 21 1111 XXX 541 XXX XXX (The example expenditure is capitalized elementary computer equipment purchased from the Capital Outlay Fund)
Credit 21 Cash Account

When receiving reimbursement for the above expenditure, the cash receipt will be:

Debit 21 Cash Account
Credit revenue account 21 4135 XXX

In the above example, you must assign an op unit or sub object or facility tracking code to identify the portion of the expenditure paid for with federal funds. Coding for each expenditure will vary based on the actual use of funds. Use the fund, function and object appropriate to the type of expenditure.

- In the scenario where the vendor will bill the Emergency Connectivity Grant Fund at USAC directly and receive reimbursement directly without going through your district, the district must recognize the value of the revenue and expenditure that was a benefit to your district by adding an expenditure and revenue through a journal entry. Using the same example as above:

Debit Expenditure 21 1111 XXX 541 XXX XXX
Credit Revenue 21 4135 XXX

Again, under this example, tracking of the federal grant dollars is required using an op unit or sub object or facility tracking code to identify the portion of the expenditure paid for with federal funds. Coding for each expenditure will vary based on the actual use of funds. Use the fund, function and object appropriate to the type of expenditure.