



UPDATE

Reporting of Extraordinary Federal Grants Provided in Response to the COVID-19 Pandemic

Chapter 788 of the Laws of 2021 provides that Federal Paycheck Protection Program (PPP) revenues and other extraordinary Federal funding provided in response to the COVID-19 pandemic, as directed by OASAS, are not considered as revenue for the calculation of net operating costs.

The Consolidated Fiscal Report (CFR) Core reports (CFR-1 thru DMH-1) should still be completed using the Accrual Method of Accounting and following the guidance established in the CFR Manual. Any awarded Federal grants should be reported on the CFR schedules consistent with the provider's financial statements and the provider's CFR filing requirements.

In the completion of the Claims reports (DMH-2 and DMH-3), providers are required to report all appropriate expenses in the OASAS programs where the expenses were incurred. Additionally, in order to reflect a more accurate picture on the Claim of operational costs and revenues and prevent the reporting of operational deficits which are covered by extraordinary Federal grants or other funds, providers should report any extraordinary Federal revenue such as PPP on Line 24, Federal Grants. Providers should then make a revenue adjustment on the DMH-2, line 39 Other Non-GAAP Adjustments for any extraordinary Federal grants **not** used to support reported expenses. The entry should be identified as Federal PPP or providers may use "Paycheck Protection Program Loan Forgiveness," if available as a predefined description in the dropdown box for line 39.

Please note:

This does not apply to any Federal funding paid to providers from OASAS, either through a direct contract or via the *State Aid Funding Authorization* (SAFA), such as SAPT Block Grant funds or any awards made under the Supplemental Federal SAPT Block Grant awards. All grant revenues must be applied consistent with the terms and conditions of the Federal grant including required reporting. Expenses may only be covered by one reimbursement source. Unspent State Aid will be recovered through the usual reconciliation process.

This guidance may result in the need for providers to submit a revised claim for the July 1, 2019-June 30, 2020, January 1, 2020-December 31, 2020, or July 1, 2020-June 30, 2021 fiscal period. Providers intending to submit a revised claim for these fiscal periods must notify the Claims Unit at APStAid@oasas.ny.gov by **February 28, 2022**. Revised claims for these fiscal periods must be submitted no later than **March 31, 2022**.

Reporting Future Use of Surplus Federal Grant Funds on Claims reports (DMH-2 and DMH-3):

As approved expenses are made in future years, the expenses must be appropriately reported on the DMH-2 claiming schedule. Any surplus extraordinary Federal grant revenue used to offset these costs should be reported on line 29 "Other Revenue." As with current reporting periods, this will provide a more accurate picture of operational costs and revenues and prevent the reporting of operational deficits which are covered by extraordinary Federal grants or other funds.

Additional Information:

- Providers are responsible for using any Federal grants consistent with the terms and conditions of the grant(s) received.
- No additional State aid will be made available in future years to support on-going costs added by the provider through this process.
- Programs will continue to be subject to all reporting and performance monitoring.

Questions related to this notice should be sent to OASASBudget@oasas.ny.gov.

Questions related to the CFR schedules including the DMH-2 claiming schedule should be sent to CFRS@oasas.ny.gov.