



OFFICE OF THE  
**STATE AUDITOR**

## **Auditor Alert 2021-01**

**Date:** July 20, 2021

**Subject:** Reporting ARPA Funds Received from the U.S. Treasury and State of Utah

### **Introduction**

The American Rescue Plan Act (ARPA), adopted March 11, 2021, allocated \$350 billion to state and local governments. Utah local governments will receive \$1.1 billion through the ARPA Local Fiscal Recovery Fund. Utah counties and “metropolitan cities” are eligible to receive funds directly from the U.S. Treasury.

Other municipalities, termed “non-entitlement units of local government” (local governments which typically serve a population under 50,000), will receive their allocations from the State of Utah. To facilitate accountability and transparency, these entities must designate ARPA funds in the Transparent Utah database.

### **New Uniform Chart of Accounts Function Code**

These entities must use a new Uniform Chart of Account (UCA) function code created for ARPA. The UCA function code for the ARPA is any function code with “b” as the second character in the six digit function code, such as 1b0000.

### **Combined and Previously Reported Transactions**

In situations where only part of a transaction qualifies for the ARPA, the transaction must be split by creating a ARPA function in the general ledger, or by editing the Transparent Utah data file before it is uploaded (see walkthrough video and step-by-step instructions at [resources.auditor.utah.gov](https://resources.auditor.utah.gov) under Transparent Utah heading). ARPA qualifying transactions already submitted to Transparent Utah without the ARPA function code will necessitate the deletion of previously submitted files, editing of function codes, and resubmission.

## **Other Reporting Option**

Entities that do not wish to create a new department within their accounting system and do not want to modify their transparency files to update the function codes on individual transactions may submit Transparent Utah data files as they have in the past, but then must also create a separate data file containing only transactions related to ARPA. The additional data file would contain previously submitted transactions with negative amounts and non-ARPA UCA codes along with a matching transaction with a positive amount, but with a ARPA UCA code. The net of all amounts in this file would be zero because each transaction would have a matching transaction with the opposite amount. The effect of this data file would be to cancel out a previously submitted transaction with the non-ARPA UCA code and replace it with a matching transaction containing an ARPA UCA code.

## **Required Reporting**

Only entities that receive ARPA funds directly from the State are required to provide this reporting. Entities that receive ARPA funds directly from the U.S. Treasury may choose to use the ARPA function code, but it is not required.