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DEPARTMENT OF ADMINISTRATION ACCOUNTING STANDARD CIRCULAR NO.: 2023-03

To: All Line Agency and Department Heads
All Autonomous Agency Heads

From: Director of Administration

Subject: **Recipients of ARPA (SLFRF) Funds**

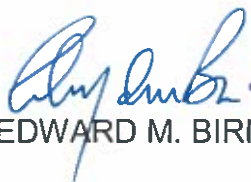
Buenas yan Hafa Adai!

In order to avoid inconsistent treatment of these federal funds and so that unnecessary Single Audit reports may be addressed, agencies and component units which are sub-recipients of funding as defined by 200 CFR §200.318 should adopt the following practice.

Federal revenues received should only be recognized to the extent of costs incurred. Revenues received in excess of costs incurred should be treated as a liability on the balance sheet.

The definition of cost incurred should be interpreted broadly. For example, receipts intended to avoid or mitigate a rate increase, should be included if the funds were applied to reduce the cost which otherwise would have resulted in a rate increase.

Si Yu'os Ma'ase.


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